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JTC ANNUAL REPORT AND ACCOUNTS 2021

Contents

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HIGHLIGHTS

Propelling the business forward together

FINANCIAL HIGHLIGHTS

– Revenue up 28.2% to £147.5m (2020: £115.1m), reflecting strong net organic growth of 9.6% (+17.5% gross) and inorganic growth of 18.6%
– Underlying EBITDA up 25.0% to £48.4m (2020: £38.7m) with an underlying EBITDA margin of 32.8% (2020: 33.6%) and 34.4% in the core business excluding acquisitions (2020: 35.7%)
– Annualised new business wins totalling £20.9m (2020: £17.9m), comprising £13.1m in ICS and £7.8m in PCS, which included our largest ever single mandate (c. £2.5m per annum)
– Strong underlying cash conversion in line with guidance at 87% (2020: 91%)
– Dividend up 13.6% at 7.67p per share (2020: 6.75p)
– A robust balance sheet, which was further strengthened by £144.8m gross proceeds from two equity fundraises, which includes an undrawn £69.3m out of the available £225m banking facilities secured during the year with no debt falling due for repayment before 2024. Pro-forma net debt at period end was 2.0x underlying EBITDA

STRATEGIC HIGHLIGHTS

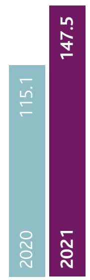
– Continued demonstration of the resilience of the business model, achieving the Group's 34th consecutive year of growth with balanced performances from both Divisions
– Shared Ownership distribution of £20m to our global employee-owner workforce
– Strong demand for JTC's services as demonstrated by organic growth and new business performance
– Executing on our inorganic growth strategy with seven high quality acquisitions completed in the year, including substantial scaling of the ICS business in the US market

OUTLOOK

– Medium-term guidance maintained; net organic revenue growth of 8% – 10% per annum; underlying EBITDA margin of 33% – 38%; cash conversion of 85% – 90% and net debt up to 2.0x underlying EBITDA
– Continued focus on the integration of recent acquisitions, with all seven on track, after an active year of inorganic growth
– A positive start to the year, with the Group remaining well invested to deliver continued growth and operational improvements
– M&A pipeline remains healthy and disciplined approach will continue with particular focus on the US, UK, Ireland and mainland Europe

REVENUE (£M)

+28.2%



UNDERLYING EBITDA (£M)*

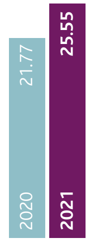
+25.0%

UNDERLYING EBITDA MARGIN (%)

-0.8pp

UNDERLYING BASIC EPS (P)**

+17.4%



NEW BUSINESS WON (£M)

+16.8%

LIFETIME VALUE WON (£M)***

+17.6%

FINAL DIVIDEND PER SHARE (P)

+0.92

NET DEBT (£M)

+£37.5m

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

** Underlying basic EPS reflects the profit for the year adjusted to remove the impact of non-underlying items, amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of net present value discounts.

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

JTC OVERVIEW

JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services. Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all our stakeholders. Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

OUR PEOPLE DRIVE JTC

JTC has a highly qualified team of professionals providing a global service

1,300+
employee-owners

CLIENT SERVICE EXCELLENCE

We win and retain clients based on our quality

7,000+
clients

GLOBAL REACH

Our service offering spans all key international markets

50+
major service lines

INSTITUTIONAL CLIENT SERVICES (ICS) DIVISION

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

PRIVATE CLIENT SERVICES (PCS) DIVISION

Provides trust, corporate and banking services for global wealth management firms, family and private offices and UHNW and HNW individuals.

FUND SERVICES

We are expert in a wide variety of fund types and services across a diverse range of asset classes and leading funds jurisdictions. We partner with our clients and provide support throughout the lifecycle of a fund, including complex and ongoing reporting and regulatory compliance.

38%
of revenue

CORPORATE SERVICES

Working with private companies, public companies, family offices and individuals, we provide a sophisticated range of corporate services and employer solutions, including structure formation, company secretarial and compliance work.

35%
of revenue

PRIVATE CLIENT SERVICES

We specialise in a holistic approach to protecting assets across countries and generations, including through our dedicated JTC Private Office. Applying a deep understanding of our clients' needs, we support them for the long-term through family governance, global compliance, structure formation and maintenance.

27%
of revenue

OUR SHARED OWNERSHIP CULTURE

Shared Ownership for every employee lies at the heart of our culture. It binds us together, creates a long-term perspective and makes us Stronger Together.

HOW JTC SHARED OWNERSHIP WORKS

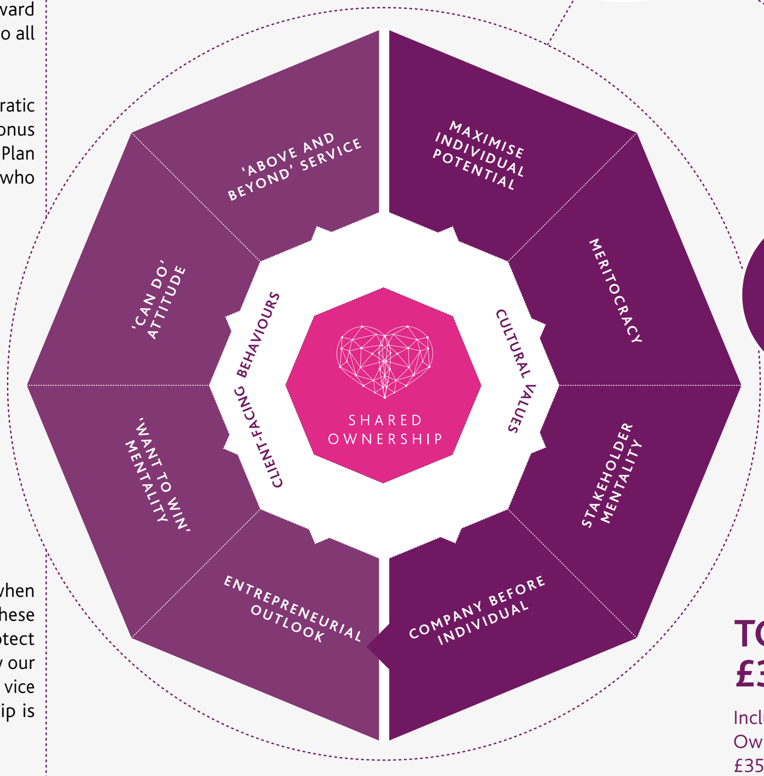
All permanent employees are automatically part of the Shared Ownership programme. Scores are calculated annually for each person based on their length of service; seniority and appraisal score. Appraisal scores are based 50:50 on achievement of goals and behaviours.

When a multi-year business plan, or era, is completed and if the Company has achieved or exceeded its goals, the Shared Ownership programme will consider making an award from the Employee Incentive Plan (EIP) to all eligible employees.

In addition – and in line with JTC's meritocratic approach to progression – a Deferred Bonus Share Plan (DBSP) and Performance Share Plan (PSP) provide added incentive for those who have taken on leadership roles.

THE JTC 'MAGIC WHEEL'

Over 20 years old, it is as valid today as when it was created. We believe that by living these values and behavioural traits, we can protect and nurture Shared Ownership and grow our company for the benefit of everybody. And vice versa, the concept of Shared Ownership is what inspires the values and behaviour.



1998 — 5% initial holding

A NEW WAY
Nigel Le Quesne creates JTC Shared Ownership and establishes it with half of his own equity.

2012 — £12m shared

LOCAL TO GLOBAL
1st Shared Ownership award made when a minority stake is sold to PE firm CBPE. JTC begins its Malbec era business plan.

2018 — £14m shared

GOING PUBLIC
2nd Shared Ownership award made when the Group lists on the LSE. JTC begins its Odyssey era business plan.

2021 — £20m shared

SHARED OWNERSHIP AS A PUBLIC COMPANY
3rd Shared Ownership award made when the business doubles in size since IPO. JTC begins its Galaxy era business plan.

In the Galaxy era, we aim to double the size of the business from 2020 results. This means revenue of £230m+ and underlying EBITDA of £78m+.

> **"With all our people as owners of the business, the interests of all our stakeholders are aligned."**
>
> NIGEL LE QUESNE

TOTAL VALUE £350m+

Including direct ownership and Shared Ownership awards, JTC has generated £350m+ of total value for employee-owners since 1998

In 2019, JTC's Shared Ownership programme became the subject of a Harvard Business School MBA case study

100% OWNERSHIP

100% of permanent employees are owners of the business through JTC's Shared Ownership programmes

CHIEF EXECUTIVE OFFICER'S REVIEW

Great people, great culture, strong performance

Revenue
£147.5m

Underlying EBITDA
£48.4m

Nigel Le Quesne
Chief Executive Officer

9.6%
Net organic revenue growth

18.6%
Inorganic revenue growth

PEOPLE, CULTURE AND SHARED OWNERSHIP

Last year I wrote about the overall resilience of the business and how it enabled us to navigate the challenges of the pandemic while continuing to grow in line with our established medium-term guidance. I referenced our well-invested infrastructure, experienced management, track record of navigating previous macro events and our scale and diversification. I also highlighted that the most important ingredient of all was our people and our culture. JTC's Shared Ownership model – where every employee is an owner of the business – is now in its 25th year and is more important to us than ever. With that in mind, a key achievement, probably our proudest in 2021, was the £20m Shared Ownership award made to our global team in July. The award was a reflection of the progress made under our Odyssey era business plan, which ran from our IPO in 2018 to the end of 2020. And while it was our first distribution as a listed business and our first in shares, it was the third in our history and brought the total value generated for JTC employee owners since 1998 to over £350m. To prove that the concept remains valid as a public company and to be able to share the success achieved since listing with everyone was very satisfying. Our sector leading staff turnover (see page 27) and the record 26 industry awards won across the Group in 2021 are evidence of our unique culture and the quality of the JTC brand.

FINANCIAL PERFORMANCE

2021 was a great first year for our current business plan, the Galaxy era, where our aim is to double the size of the Group relative to where we ended 2020. We once again delivered performance in line with market expectations and medium-term guidance, with revenue growth to £147.5m (2020: £115.1m), achieving £48.4m of underlying EBITDA (2020: £38.7m) at an underlying Group margin of 32.8% (2020: 33.6%) and 34.4% when acquisitions are excluded (2020: 35.7%). It was particularly pleasing to achieve net organic growth of 9.6% (2020: 7.9%) driven by record new business wins of £20.9m (2020: £17.9m) alongside inorganic growth of 18.6% (2020: 8.0%), which reflected our busiest year yet for M&A.

GROWTH

In our Galaxy era, we expect two thirds of our growth to be inorganic, so the seven acquisitions completed – the most we have ever achieved in a single calendar year – gets us out of the blocks quickly. The quality businesses in Segue, SALI and most recently EFS, also supported our strategic push into the US, which is now our second-largest jurisdiction by revenue. Overall, these seven additions mean the JTC global team now extends to more than 1,300 colleagues. As we grow our platform, we will respect its integrity and underlying strength and in 2022 we will continue to consolidate the acquisitions made in 2021, while remaining alert to the potential of further high quality deals.

Achieving net organic revenue growth of 9.6% near the top end of our guidance range of 8% – 10% was a strong result. Our record new business wins of £20.9m included the largest

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

"2021 was a great first year for the Galaxy era, with strong organic growth and a record seven acquisitions."

single mandate the Group has ever won, with a value of c.£2.5m per annum, which we expect to start delivering revenue from H2 2022. Considering the ongoing travel restrictions that affected new business development activities and the fact that most of our acquisitions came towards the end of the year and therefore had little time to impact the organic growth figures, these results show very welcome and encouraging demand for our services. As we move through 2022, an increasing focus will be placed on leveraging our growing range of services and solutions to create an internal market that provides a richer and deeper range of services to existing clients, increasing share of wallet and making client relationships even 'stickier' over their lifetime.

INSTITUTIONAL CLIENT SERVICES DIVISION

Revenue increased 43.6% to £92.7m (2020: £64.6m) with a 55.8% increase in underlying EBITDA to £28.0m (2020: £18.0m). Pleasingly, and in keeping with the progress that began in 2020 with our Blueprint margin expansion programme, the underlying EBITDA margin increased 2.3pp to 30.2% (2020: 27.9%). Net organic growth increased to 11.5% (2020: 6.9%) with the annualised value of new business wins £13.1m (2020: £13.4m).

M&A activity in 2021 was particularly focused on increasing scale and capability in the US, Ireland and the UK. The seven deals completed in the year, which were all primarily orientated towards the ICS offering, met these jurisdictional targets, with RBC Cees, INDOS, Ballybunion Capital, SALI Fund Services, Segue Partners, EFS and perfORM all adding scale, expertise and quality.

With so many first-class acquisitions in the US, we are well placed to capitalise on opportunities in that market, and the US is now the ICS Division's second biggest jurisdiction, providing a solid platform from which to grow the JTC brand. The growth of our UK office in 2021 demonstrates an ability to widen our service offering around the mandates we attract, while in the EU, we have been particularly successful in attracting new business to our Luxembourg office.

With regard to our ambitions to be recognised as the fund and corporate services firm of choice, we have begun to deliver our strategy. With the acquisition of Cees, we are already the market-leading provider in the Employer Solutions sector, while in Jersey, London and the Netherlands, we are developing a reputation for providing top-quality service to high value, blue chip clients.

Overall, the ICS Division made very positive progress on our plan for the Galaxy era and I am confident we are firmly on the path to establishing JTC as the number-one partner for expert solutions for fund and corporate services clients. Our restructured cross-jurisdictional operating model will help us maintain our margins, while continually enhancing service delivery and supporting growth via technology.

PRIVATE CLIENT SERVICES DIVISION

Revenue increased 8.4% to £54.8m (2020: £50.5m) with a small decrease in underlying EBITDA to £20.4m (2020: £20.7m). The underlying EBITDA margin decreased 3.8pp to 37.2% (2020: 41.0%) but remains at the top end of our guidance range of 33% – 38% and reflects continued investment in the PCS platform to support future growth and manage an increasingly complex regulatory environment. Net organic growth was 7.1% (2020: 9.0%) with the annualised value of new business wins a record £7.8m (2020: £4.5m), including the Group's largest ever single win providing 'white label' services to a US-based global bank and its clients. As noted last year, we continue to attract work from global financial institutions who trust us to provide services for their individual private clients and this trend for major corporates to opt for a lighter operating model by partnering with JTC is an area where we expect to see further opportunities. The Division has invested in people, technology and other infrastructure to support this type of work and has the necessary expertise to scale its capabilities further.

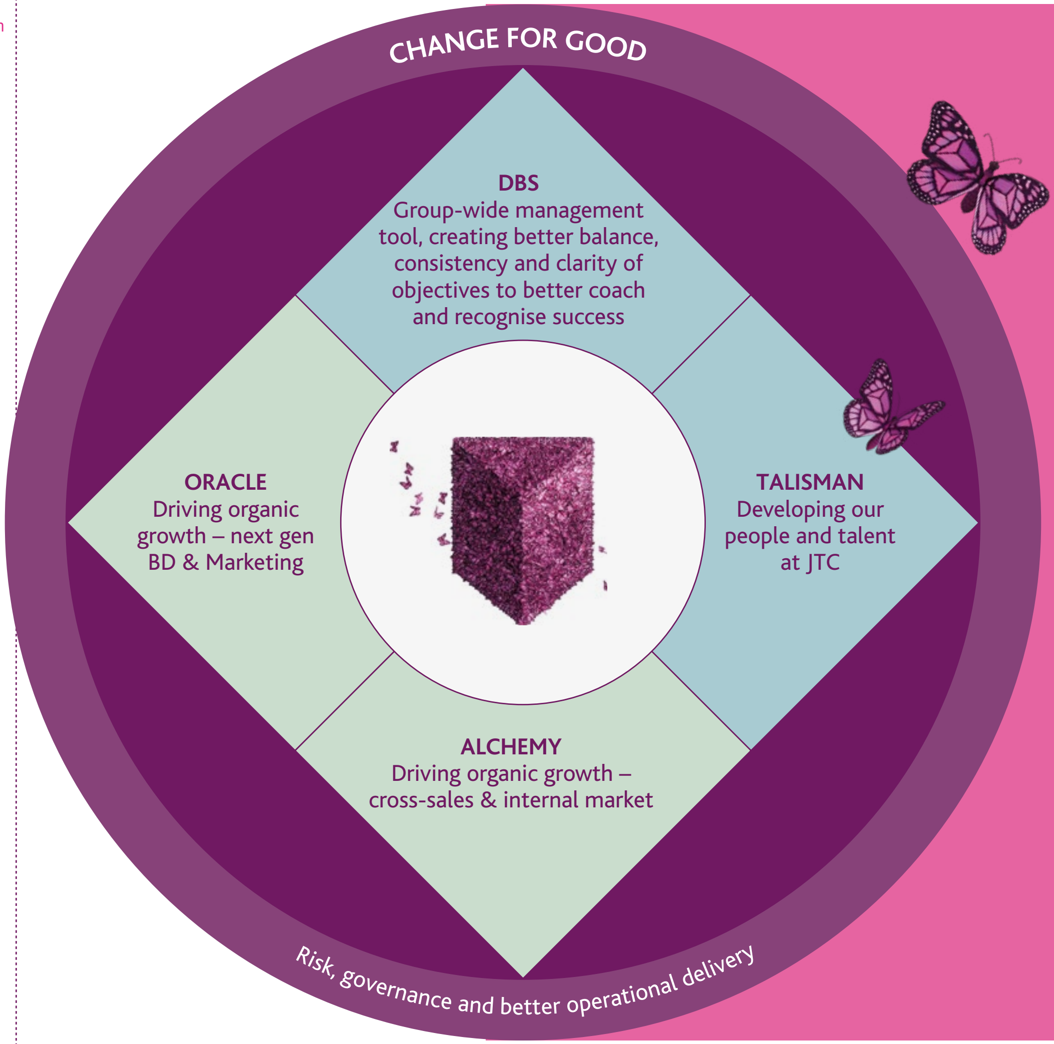
In addition, the experience of our PCS management team has been reflected in the growth of several of our regional offices, notably South Dakota, Cayman, Guernsey and Dubai, which provides welcome diversification alongside our continued strength in Jersey. The development of new services and in particular those focused on the areas of regulatory and tax compliance is an example of how we are able to leverage the ever increasing volume of international legislation and regulation as a growth driver for the business.

The PCS Division continues to be the pre-eminent private client practice and a leader in its markets, as evidenced in part by a record 15 award wins in the year. The focus for 2022 will be multi-faceted and include further development of the PCS service offering, an increased emphasis on cross-selling, including with key ICS service lines such as Employer Solutions, and our nascent strategic expansion into the US domestic market, which we believe has exceptional potential on both an organic and inorganic basis. All of this will be supported by an agenda to cement the JTC brand as the hallmark of quality and excellence in the PCS trust company space.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

CONTINUOUS IMPROVEMENT

As mentioned, our priorities for 2022 will be shaped around consolidating our acquisitions and large business wins, and we have therefore identified and started a series of initiatives that will further strengthen our global platform and ensure we remain fit for growth through the Galaxy era and beyond. These projects, which include an enhanced and refreshed next generation approach to business development to accelerate organic growth, enhanced financial reporting aimed at improving future behaviours and further enhancements to our talent management programme, build on existing capabilities. These are interconnected, such that the sum of their impact on the business will be greater than their individual component parts:



ALCHEMY
As we develop and expand our offering, we have the opportunity to create an internal market that will drive organic growth within our existing client book, adding value by expanding and extending long-term relationships. Developing our capabilities and services, and cross-selling within the business, is nothing new, of course, but formalising our approach can help make the most of our increasing suite of complementary services.

ORACLE
This is about taking a next-generation approach to business development and marketing. We will build on our practitioner-led approach and draw on best-in-class approaches from around the Group to develop a powerful Group-wide capability and infrastructure that is another accelerator of organic growth.

DIVISIONAL BALANCED SCORECARD (DBS)
This is a framework for effective, reliable and consistent performance management of key commercial, relationship and risk metrics across the Group. DBS brings a set of uniform standards to help us appraise and reward the talent within our business to the levels we set ourselves.

TALISMAN
As a people business, we want to ensure that every JTC person has the opportunity to develop and maximise their potential. Building upon the solid foundations of the JTC Academy, we will enhance and expand our talent development programmes to ensure we create opportunities for and retain our potential future leaders. We will tie this to long-term succession planning, letting our people know we have recognised them and are developing them accordingly.

CHANGE FOR GOOD
As we grow, we face an ever more complex external and internal risk environment. Investing in our operational governance capabilities to keep abreast of this will ensure we remain fit for purpose as we grow, and are seen as a leader in this area.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

EVOLUTION OF OUR LEADERSHIP TEAM

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

IAIN JOHNS
GROUP HEAD OF PRIVATE CLIENT SERVICES & GROUP MANAGING DIRECTOR

JON JENNINGS
GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES & DEPUTY GROUP MANAGING DIRECTOR

Client service excellence and commercial results

Leading, managing and developing people and teams

Proactively managing governance and risk

At JTC we continue to follow our tried and tested 'evolution, not revolution' approach. We also continue to favour promotion from within and place great value on industry client-facing experience. With this approach in mind, with effect from January 2022, Iain Johns took up the role of Group Managing Director and Jon Jennings the role of Deputy Group Managing Director. The new posts are in addition to their current responsibilities as Group Heads of our PCS and ICS Divisions respectively.

These changes have been primarily driven by the exciting opportunities presented by the ever increasing connections and cross-pollination opportunities arising between our Divisions.

More generally, at JTC we look to build holistic managers using our 'Christmas Tree' model of management, which recognises that all leaders in the business hold responsibilities spanning:

- Client service excellence and delivery of commercial results
- Leading, managing and developing people and teams
- Responsibility for proactively managing governance and risk

This model ensures JTC leaders take a balanced approach and focus on what is best for the long-term success of the Group. The only distinction, as people progress through the ranks on a meritocratic basis, is an ever increasing span of control.

By taking on these new Group-wide roles, Iain and Jon will increase their spans of control beyond their respective Divisions and be able to work more closely with each other and me as the CEO, as well as with our excellent Group Operations teams, to drive the business forward and implement strategies that will sustain our growth, develop our global platform and most importantly, support our Shared Ownership culture.

RISK

JTC has always had an excellent record in managing the risks associated with being a leading regulated professional services business. Throughout 2021 the senior risk team have focused a large amount of their time and effort on developing and enhancing our Risk & Compliance function globally as the approach and expectations of external parties has hardened. I have highlighted for some time now the increasing complexity and burden of international regulation and how this inevitably brings a degree of challenge to a business such as ours. It does also however, provide huge opportunity. We are, in many respects, a governance business and a substantial part of the value that we offer clients is our understanding of – and ability to work effectively within – an ever evolving and complex international framework. It has never been more important to the long-term success of the Group, or more compelling to clients and partners, to be able to offer a robust, well-organised and expert set of capabilities in this area. More detail can be read in the Risk Management section on page 42.

In addition, we have seen long-term emerging risks come into greater focus, and in particular transition risks associated with the world moving to a low carbon future. At JTC we are proud to play our part by becoming a Carbon Neutral+ organisation in 2021 as part of our own journey and we also see tremendous opportunity for the Group as a result of the positive changes driven by the ESG agenda. More detail, including our first TCFD disclosures, can be read in the ESG section on page 28.

At the time of writing, the conflict in Ukraine continues and it is unclear how or when it will come to an end. As a Group, we have limited exposure to Russia, Ukraine or Belarus with no operations there and limited exposure amongst a small number of clients to those countries. However, we are acutely aware of our responsibilities in relation to sanctions compliance and enforce all such measures rigorously. As a compassionate organisation, we are appalled at the humanitarian suffering and have made direct donations to the UNHCR and Save the Children.

OUTLOOK

Two phrases I often repeat are that we like to keep things simple at JTC and that it's all about making this a better business every year. In 2021 I am confident that we did both. Building on our strong foundations and business resilience, we executed well on our organic and inorganic growth strategies to drive the business forward and deliver a strong start to our Galaxy era business plan. We have proved that our Shared Ownership model is a genuine differentiator and have successfully adapted it as a listed business, and I am delighted that we were able to celebrate the fruits of long-term success with all our people. Our two Divisions continue to provide balance and diversification to the Group and are generating more cross-pollination opportunities than ever before. We also materially increased our presence in a number of key growth markets and won more new work from clients than ever before.

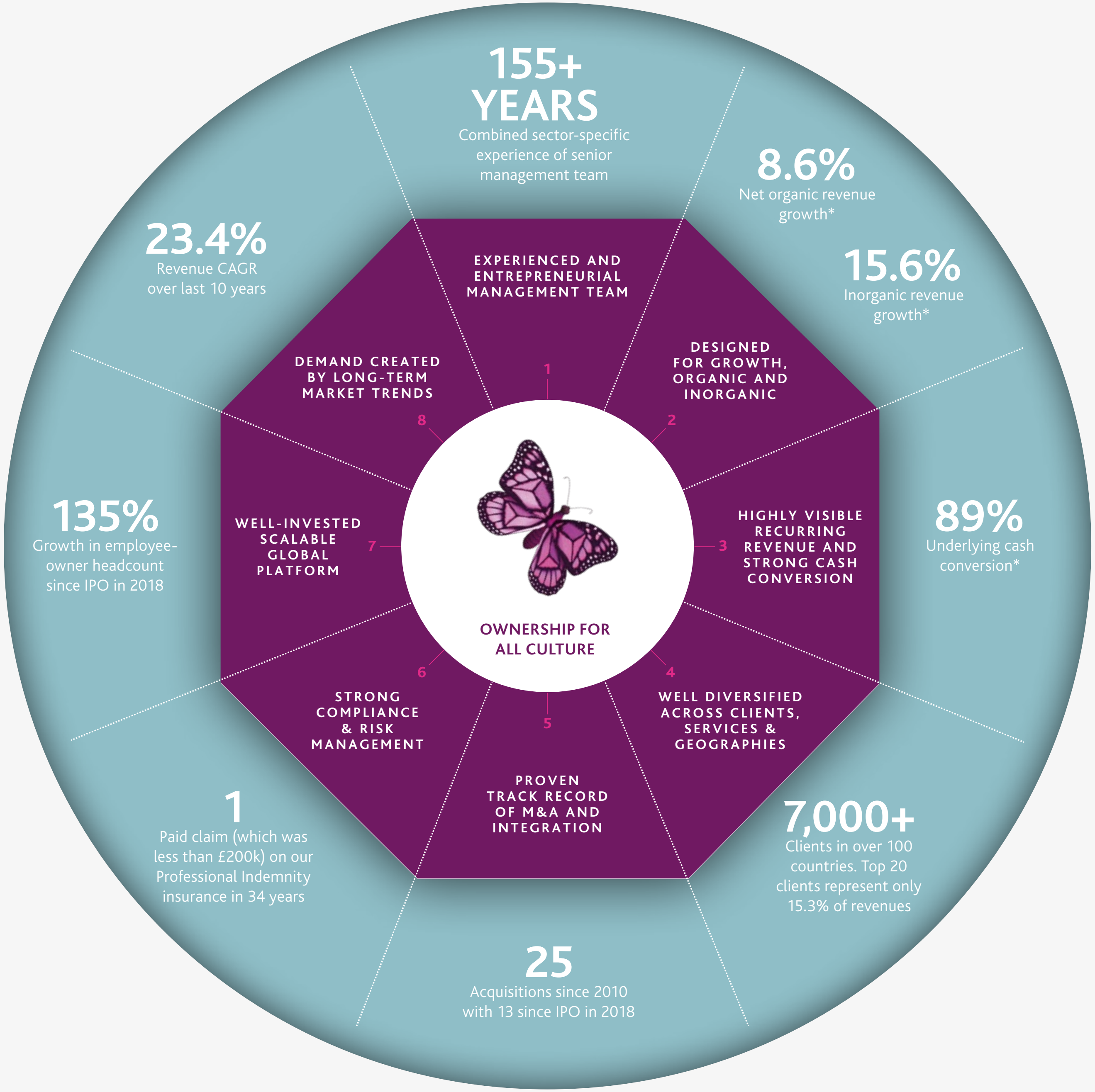
Looking ahead, we have taken time to step back from all that was achieved in 2021 and map out the next important steps that will be needed to ensure our well-invested platform and talented global team are ready and equipped to deliver continued high performance. We are pleased with the integration and business performance of recent acquisitions, with all seven on track. The project to maximise the opportunity to internalise SALI's fund accounting work is now progressing and will generate revenues from Q2 2022. While much of the focus will be on improving and integrating what we have, we also remain of the view that the sector is primed for consolidation and that our proven approach to identifying, securing and integrating high quality acquisitions is a key part of creating long-term value for JTC and our stakeholders.

In concluding, I return to the most important part of JTC, our people and our Shared Ownership culture. I would like to thank every member of the team for their commitment and hard work in delivering such a strong performance in 2021. We have an exceedingly talented group of employee-owners, all of whom I am very proud to work alongside.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

INVESTMENT CASE

A long-term investment



We believe that JTC represents an exceptional long-term growth investment prospect. Our 34 year track record of consistent revenue and profit growth, including through periods of significant macroeconomic challenge, speaks for itself. We believe that eight key factors define and underpin the JTC investment case and apply both now and in the medium to long-term.

* Last 3 year average.

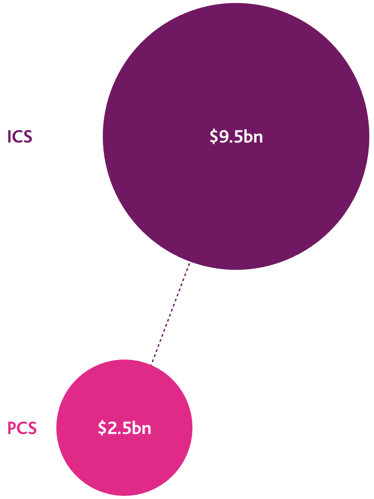
OUR MARKET DRIVERS

Long-term trends supporting our growth

KEY
HIGH
MEDIUM
LOW

Operating in a fragmented global industry, we serve a variety of markets and estimate that the global addressable market is worth at least $12bn in annual revenue (ICS $9.5bn and PCS $2.5bn). These markets are subject to a number of shared long-term trends, which offer significant growth opportunities for our business.

ADDRESSABLE GLOBAL MARKET
$12bn



Pace of change

Near-term impact

Long-term impact

INCREASED REGULATION

The growing complexity and scope of regulation and tax compliance is making expert advice vital to all our client groups. The risk of errors or omissions due to misunderstanding or lack of awareness is greater every year. Therefore outsourcing is increasingly attractive, using a specialist partner that is constantly on top of the latest regulatory changes, and that can both navigate them and find opportunities within them.

WHAT THIS MEANS FOR JTC

As a large global operator, we have the scale and resource to help clients comply with the higher standards demanded by growing regulatory scrutiny, which also creates barriers to entry for competitors. We are able to maintain our knowledge of developing regulations, and expand and revise the services we provide, bringing multiple revenue opportunities.

Key Fact:
17
Jurisdictions where JTC is regulated

Pace of change

Near-term impact

Long-term impact

GROWING PROPENSITY TO OUTSOURCE

As complexity increases, the long-term benefits of outsourcing increasingly outweigh building in-house capabilities. For smaller clients it offers instant access to expertise, and for larger, the opportunity for a leaner operating model. The propensity to outsource increases as the relevant regulatory and tax environments becomes more complicated and the core competency of the client can be readily separated from the associated administration.

WHAT THIS MEANS FOR JTC

We can demonstrate we have the scale and capabilities to offer a comprehensive, expert service, with highly qualified, experienced staff and appropriate technology. We will always have everything in place to ensure clients understand that outsourcing to JTC means certainty on costs, increased accuracy, and the freedom to focus on core activities. There are now major opportunities in the US, as institutional and private clients become more inclined to outsource.

Key Fact:
£2.5m+ pa
Largest initial outsourcing mandate won FY21

Pace of change

Near-term impact

Long-term impact

OPPORTUNITIES THROUGH TECHNOLOGY

Technology can enable a better client experience, improve speed and efficiency by automating tasks that were previously manual and mitigate risks such as data inputting errors. It also leads to a greater focus on human expertise, as skilled people have more time for roles that make use of their knowledge and understanding of the nuances of legislation and regulations, to provide a more valuable service to clients.

WHAT THIS MEANS FOR JTC

We continue to focus on best-in-class technology across the Group and in training our people to utilise and maximise the full benefits of our systems. We use technology to improve and expand our services, while still offering clients the in-depth expertise only human insight and relationships can provide. In short, we combine the best people with the best technology to get the best results.

Key Fact:
100%
Employees able to work remotely

OUR MARKET DRIVERS CONTINUED

KEY
HIGH
MEDIUM
LOW

Pace of change

Near-term impact

Long-term impact

CONTINUED MARKET CONSOLIDATION

Our historically fragmented industry is changing. Increasing regulatory complexity, a desire for cross-jurisdictional solutions and the increasing importance of technology are creating client demand for greater scale and breadth from service providers. Consolidation enables a multi-sector, multi-jurisdiction capability and is an accelerating trend in our industry. With an estimated 2,000+ providers in the UK and Europe and 1,000+ in the US, this will continue.

WHAT THIS MEANS FOR JTC

We are poised to take advantage, and maintain a strong pipeline of M&A opportunities, many originated directly. These span both Divisions and all types and sizes, from bolt-ons to complex bank carve outs and transformational deals. Having acquired 25 businesses since 2010, we have a tried and tested methodology for integrating companies efficiently onto our global platform. Our Shared Ownership culture and reputation for being straightforward to deal with makes us a popular acquirer.

Key Fact:

25

Businesses acquired in 11 years

Pace of change

Near-term impact

Long-term impact

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Inflows to sustainable funds are increasing across all regions of the world and ESG assets are forecast to expand to 57% of European mutual funds by 2025.* Rapidly evolving and varied ESG standards present enormous challenges for companies, creating demand for credible and expert third party providers who can help develop ESG strategies and policies, and appropriate reporting and disclosure frameworks.

WHAT THIS MEANS FOR JTC

As a business with Shared Ownership at the heart of its culture, our approach to ESG is based on compelling principles and a strong corporate purpose. As an outsourced provider, we are ideally placed to become a highly credible supplier, while our strength in providing expertise on complex regulatory and reporting frameworks means we are ideally placed to offer technology-enabled ESG advisory and administration services to a wide range of clients.

Key Fact:

1,500

Tonnes of carbon offset FY21

* Source: PwC Luxembourg.

Pace of change

Near-term impact

Long-term impact

GLOBALISATION AND RISING GLOBAL WEALTH

There is now easier communication, co-operation and flow of capital across international borders, as well as growing GDP and personal wealth. Corporates operate and invest globally, fund managers seek access to international pools of capital and both private and institutional investors want to pursue strategies that best fit their goals, and operate more internationally than ever before. This all leads to increased demand for providers of professional services that can advise and work across borders.

WHAT THIS MEANS FOR JTC

We have a scalable global platform with an established presence in all key jurisdictions and develop new services organically, as well as acquiring strategically. We are able to offer both institutional and private clients seamless services as they operate and expand across multiple jurisdictions. We do this through long-term relationships that average 10+ years, enabling us to grow alongside our clients and their increasing wealth.

Key Fact:

+28.3%

Forecast growth in UHNWI by 2026*

* Source: 2022 Knight Frank Wealth Report.

OUR BUSINESS MODEL

Ownership Alignment Growth

Our business model is built on our Shared Ownership culture and driven by our Purpose; to help maximise the potential of every client, colleague and partner with whom we work.

We create value by aligning with the interests of our stakeholders and committing to long-term relationships.

We grow through a compounding strategy that combines consistent organic growth, disciplined acquisitions and the continuous pursuit of operational excellence.

OUR KEY INPUTS

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

OUR PEOPLE
We make every employee an owner, creating an environment where people can maximise their potential and be part of creating something meaningful and long lasting

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

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

OUR STRATEGIC STRENGTHS

WE GROW ORGANICALLY BY OFFERING SERVICE EXCELLENCE AND A SUITE OF SOLUTIONS WITH LONG-TERM RELATIONSHIPS

WITH ALL OUR PEOPLE AS OWNERS THE INTERESTS OF ALL OUR STAKEHOLDERS ARE ALIGNED

WE MAINTAIN A WELL-INVESTED AND SCALABLE GLOBAL PLATFORM THAT SUPPORTS CONSISTENT LONG-TERM GROWTH

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

WHAT WE DO AND HOW WE GENERATE VALUE

INSTITUTIONAL CLIENT SERVICES (ICS) DIVISION
Provides fund, corporate and banking services to institutional clients, primarily fund managers, listed companies and multinationals.

FUND SERVICES
We are expert in a wide variety of fund types and services across a diverse range of asset classes and leading funds jurisdictions. We partner with our clients and provide support throughout the lifecycle of a fund, including complex and ongoing reporting and regulatory compliance.

CORPORATE SERVICES
Working with private companies, public companies, family offices and individuals, we provide a sophisticated range of corporate services and employer solutions, including structure formation, company secretarial and compliance work.

PRIVATE CLIENT SERVICES (PCS) DIVISION
Provides trust, corporate and banking services for global wealth management firms, family and private offices and UHNW and HNW individuals.

PRIVATE CLIENT SERVICES
We specialise in a holistic approach to protecting assets across countries and generations, including through our dedicated JTC Private Office. Applying a deep understanding of our clients' needs, we support them for the long-term through family governance, global compliance, structure formation and maintenance.

VALUE WE CREATE FOR STAKEHOLDERS

CLIENTS

$200bn client assets we are trusted to administer

10+ years average client relationship

£43m future value of additional work for existing clients generated in 2021

EMPLOYEES

£20m Shared Ownership award in 2021

91% retention rate in 2021

100% permanent employees are owners of the business

SHAREHOLDERS

30% dividend as % of underlying PAT

25.55p Underlying EPS in 2021

ROCE > WACC within 12-36 months

CHARITIES AND COMMUNITIES

£187k donated to good causes in 2021

Carbon Neutral+ status achieved in 2021

CHIEF FINANCIAL OFFICER'S REVIEW

Investing in the future to create an even stronger platform for growth

Martin Fotheringham
Chief Financial Officer

FINANCIAL HIGHLIGHTS

	As reported			Underlying*		
	2021	2020	Change	**2021**	2020	Change
Revenue (£m)	**147.5**	115.1	+28.2%	**147.5**	115.1	+28.2%
EBITDA (£m)	**26.6**	34.9	-23.8%	**48.4**	38.7	+25.0%
EBITDA margin	**18.0%**	30.3%	-12.3pp	**32.8%**	33.6%	-0.8pp
Operating profit/EBIT (£m)	**9.0**	21.0	-57.2%	**30.8**	24.9	+23.9%
Profit before tax (£m)	**27.8**	11.2	+147.2%	**24.9**	20.1	+23.7%
Earnings Per Share (p)**	**20.49**	9.02	+127.2%	**25.55**	21.77	+17.4%
Cash conversion	**79%**	91%	-12pp	**87%**	91%	-4pp
Net debt (£m)	**-117.2**	-76.0	-41.2	**-113.3**	-75.8	-37.5
Dividend per share (p)	**7.67**	6.75	+0.92p	**7.67**	6.75	+0.92p

* For further information on underlying results see appendix to CFO Review.
** Average number of shares (thousands) for 2021: 130,044 (2020: 116,737).

REVENUE

In 2021, revenue was £147.5m, an increase of £32.4m (+28.2%) compared with 2020.

Whilst the macroeconomic environment during the first half of 2021 provided less conducive conditions for new business, H2 was strong and helped us deliver net organic growth of 9.6% in the year (2020: 7.9%). Our rolling three year average is now 8.6% and continues to be within our medium-term guidance range of 8 – 10% net organic growth. Included in the year was our largest ever single new business win (estimated at c. £2.5m per annum) which evidences our ability to secure significant new mandates from large institutions. The size and complexity of the mandate has necessitated meaningful upfront investment which impacted margins in the PCS Division in 2021 and we expect revenues to commence in H2 22.

The growth in 2021 was driven by gross new business of 17.5% (2020: 16.7%), inorganic growth of 18.6% (2020: 8.0%) and attrition of 7.9% (2020: 8.8%). The lower attrition was notable but this is consistent with the rolling three year average which was also 7.9%. The retention of revenues that were not end of life increased to 97.4% (2020: 96.6%). Consistent with prior years, the not end of life attrition is being driven by less complex clients that are seeking lower cost solutions. The rolling three year average retention of not end of life revenues was 97.2%.

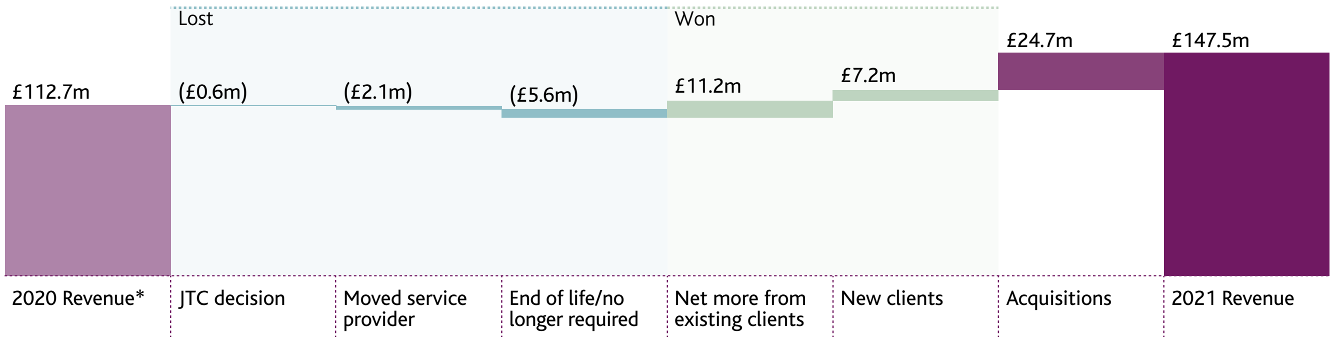
ICS net organic growth was 11.5% (2020: 6.9%) with a rolling three year average of 9.3%. We have experienced the expected recovery in revenue with particularly strong growth in the UK, Cayman, and Luxembourg. Attrition for the Division in the year was 8.7% (2020: 8.3%) which included 6.3% for end of life losses.

PCS net organic growth was 7.1% (2020: 9.0%) with a rolling three year average of 7.8% (2020: 7.4%). We continue to see growing demand for our increasing suite of services and were pleased to have recorded the largest ever new business win for JTC alongside strong revenue growth in Cayman, Guernsey, Mauritius and the US. Attrition in PCS was 6.9% (2020: 9.4%) and was a significant drop to the prior period when we consciously chose to exit a number of BVI structures. The rolling three year average attrition is 7.9%.

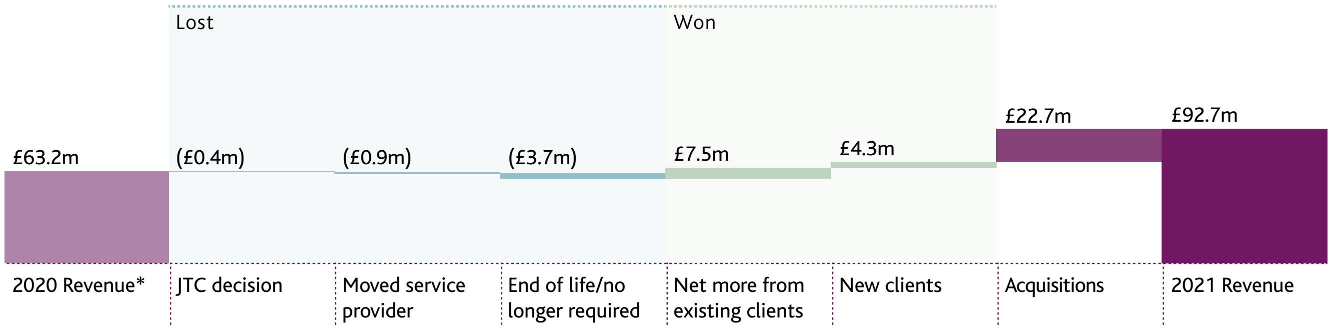
CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Revenue growth, on a constant currency basis, is summarised as follows:

REVENUE BRIDGE (PLC)



REVENUE BRIDGE (ICS)



REVENUE BRIDGE (PCS)

ACQUISITIONS

Acquisitions contributed £24.7m of new revenue in the year which is detailed as follows:

	PLC	ICS	PCS
SALI (Q4 2021)	£1.6m	£1.6m	–
Ballybunion (Q4 2021)	£0.4m	£0.4m	–
PerfORM (Q4 2021)	£0.1m	£0.1m	–
Segue (Q3 2021)	£0.3m	£0.3m	–
INDOS (Q2 2021)	£2.3m	£2.3m	–
RBC cees (Q2 2021)	£16.6m	£16.6m	–
Sanne Private Clients (Q3 2020)	£2.0m	–	£2.0m
NESF (Q2 2020)	£1.3m	£1.3m	–
Anson Registrars (Q1 2020)	£0.1m	£0.1m	–
Total	**£24.7m**	**£22.7m**	**£2.0m**

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

NEW BUSINESS/PIPELINE

JTC secured new work with an annual value of £20.9m (2020: £17.9m) and £9.8m of this was recognised during the period (2020: £9.0m). The divisional split of new work won was ICS £13.1m (2020: £13.4m) and PCS £7.8m (2020: £4.5m). The PCS new business wins were strong and pleasingly we are seeing an increase in the size of mandates won. Whilst overall new business wins increased, we continued to see delays in the take-on of ICS business, particularly in the first half of the year, as investors continued to be deterred by the uncertainty in the macroeconomic environment. As previously referenced, we have increased our share of larger client mandates and these more complex assignments typically take longer to on-board.

The enquiry pipeline increased by £2.4m (+5.3%) from £45.5m at 31 December 2020 to £47.9m at 31 December 2021.

* 2020 revenue presented as constant currency using 2021 average rates.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Underlying EBITDA margin
32.8%

ICS underlying EBITDA margin
30.2%

PCS underlying EBITDA margin
37.2%

UNDERLYING EBITDA AND MARGIN PERFORMANCE

Underlying EBITDA in 2021 was £48.4m, an increase of £9.7m (25.0%) from 2020. The underlying EBITDA margin for the Group was 32.8% (2020: 33.6%).

As anticipated, continuing investment in clients, people and systems alongside the integration of the seven acquired businesses in 2021 resulted in a small drop in the EBITDA margin. The acquisitions we made in the first nine months of 2021 were strategically important but immediately dilutive to the existing Group margin. Significant progress has been made in delivering margin improvements in 2021. The overall impact of the businesses we acquired in Q4 will improve the Group margin. However, the volume of acquisitions in 2021 is such that we need to continue to invest in our platform to maximise the opportunity for our growing global capabilities. Management reiterate their medium-term guidance on the underlying EBITDA margin of 33% – 38%.

ICS's underlying EBITDA margin increased from 27.9% in 2020 to 30.2% in 2021. This demonstrates the progress made in the implementation of a revised operating model in the Division as well as the improvement in profitability during the year of the acquisitions made in H1 21.

PCS's underlying EBITDA margin decreased from 41.0% in 2020 to 37.2% in 2021. The Division continues to perform well and the drop in margin reflects the continuing investment in clients, people and systems. Throughout H2 21 we made a significant investment in a large client mandate for which revenue will be reflected from H2 22. We have also seen increasing amounts of time spent handling regulatory oversight and this is consistent with what we have witnessed across the industry.

DEPRECIATION AND AMORTISATION

The depreciation and amortisation charge increased to £17.6m in 2021 from £13.8m in 2020. £2.4m of this increase was as a result of acquired intangible assets and £1.3m of the increase was as a result of an increased charge for right-of-use assets reflecting the increased footprint of the business.

STATUTORY OPERATING PROFIT

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

Statutory operating profit is impacted by a variety of non-underlying items which are detailed below.

PROFIT BEFORE TAX

The reported profit before tax was £27.8m (2020: £11.2m).

Adjusting for non-underlying items, the underlying profit before tax for 2021 was £24.9m (2020: £20.1m). The improvement reflects the strong growth in revenues although the margin decreased in the year.

NON-UNDERLYING ITEMS

Non-underlying items incurred in the year totalled a £2.9m credit (2020: £8.9m debit) and is comprised of:

	2021 £m	2020 £m
EBITDA		
EIP	**14.5**	–
Acquisition and integration costs	**6.6**	3.3
Revision of ICS operating model	**0.4**	0.4
Other costs	**0.3**	0.1
Total non-underlying items within EBITDA	**21.8**	3.8
Profit before tax		
Items impacting EBITDA	**21.8**	3.8
(Gain)/loss on revaluation of contingent consideration	**(20.9)**	6.5
Loss/(gain) on settlement of contingent consideration	**0.7**	(0.2)
(Gain) on bargain purchase of RBC cees	**(5.4)**	–
Foreign exchange losses/(gains)	**0.9**	(1.2)
Total non-underlying items within profit before tax	**(2.9)**	8.9

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

We announced the distribution of the EIP awards during H2 21, these were made in JTC shares and have been reflected in the full-year results. The expense of £14.5m relates to the first tranche of the award which vested upon grant and a proportion of the second and final tranche which vests in 2022. The remaining expense will be recognised in 2022.

Acquisition and integration costs were significantly higher (+£3.3m) than the prior period and this reflects the increased number of transactions completed (seven in 2021, two in 2020).

The movement in the revaluation of the contingent consideration is due to the requirement to revalue the equity-settled financial liability in relation to the NESF acquisition. When we purchased NESF, we ensured that there was a two year capped earn-out and that all future contingent consideration would be settled in JTC equity. The earn-out hurdle was set at an annual target of $3.2m of EBITDA and, based upon our latest forecasts, we do not expect that this will be achieved. We have therefore credited operating profit with the £20.9m reversal of contingent consideration that had previously been accrued. The loss recognised in the prior year was due to an increase in the share price estimate for the previously anticipated earn-out.

The gain on bargain purchase relates to the RBC cees acquisition and reflects the fact that the price paid for this business was less than the fair value of the assets acquired.

TAX

The net tax charge in the year was £1.1m (2020: £0.7m). The cash tax charge is £2.6m (2020: £1.8m) but this is reduced by significant deferred tax credits of £1.4m (2020: £1.1m) as a result of movements in relation to the value of acquired intangible assets held on the balance sheet.

The Group continuously reviews its transfer pricing policy and updates this to reflect the evolving nature and increasing complexity of the business and the way it operates. The policy continues to be fully compliant with OECD guidelines.

The Group continues to monitor the likelihood of the proposed introduction of minimum global tax rates and we believe that it is too early to be able to accurately assess the impact such a change would have on JTC.

UNDERLYING EARNINGS PER SHARE

Underlying basic EPS increased by 17.4% and was 25.55p (2020: 21.77p). Underlying basic EPS reflects the profit for the year adjusted to remove the impact of non-underlying items, amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of net present value discounts.

CASH FLOW AND DEBT

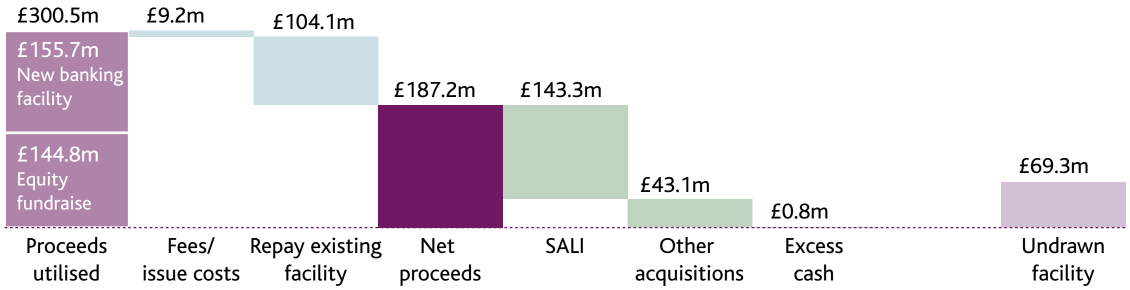
Underlying cash generated from operations was £38.4m (2020: £35.3m) and the underlying cash conversion was 87% (2020: 91%). This continues to reflect the predictability and highly cash generative nature of our business, and we maintain our medium-term market guidance range of 85% – 90%.

Underlying net debt at the year end was £113.3m compared with £75.8m at 31 December 2020. Underlying leverage is therefore 2.34x underlying EBITDA (2020: 1.96x) and this increase was expected as five acquisitions completed in the final four months of 2021. The pro-forma net debt at year end was 2.0 times underlying EBITDA. Excluding the impact of any additional acquisitions in 2022, the strong cash generating nature of our business should result in a significant decrease in leverage by the end of the year.

In total, the Group raised gross proceeds of £144.8m from two equity fundraises in 2021. This strengthened our balance sheet and allowed us to capitalise on a high quality pipeline of M&A opportunities during the second half of the year.

On 6 October 2021 the Group entered into a new £225m revolving credit and term loan facilities agreement with an initial three year maturity together, with two one year extension options. This new facility was used to repay the existing facility and provide financing for the SALI and EFS acquisitions.

The gross proceeds from the two fundraises and new facility were used as follows:



MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Appendix:
Reconciliation of Reported results to APMs

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

1. EBITDA

	2021 £m	2020 £m
Reported EBITDA	26.6	34.9
Non-underlying items		
Acquisition and integration costs	6.6	3.3
Revision of ICS operating model	0.4	0.4
EIP	14.5	–
Other costs	0.3	0.1
Underlying EBITDA	48.4	38.7

2. CASH CONVERSION

	2021 £m	2020 £m
Net cash generated from operations	28.9	27.6
Non-underlying cash items	7.7	6.3
Income taxes paid	1.8	1.4
Underlying cash generated from operations	38.4	35.3
Acquisition normalisation*	3.6	–
Normalised underlying cash generated from operations	42.0	35.3
Underlying EBITDA	48.4	38.7
Underlying cash conversion	87%	91%

* Acquisition normalisation refers to the following: In 2021, £3.6m of RBC cees revenues were billed in advance and collected in Q1 21 by the previous owners in advance of JTC ownership.

3. UNDERLYING NET DEBT/LEVERAGE

	2021 £m	2020 £m
Cash balances	39.3	31.1
Bank debt	(152.6)	(104.4)
Other debt	–	(2.5)
Net debt	(113.3)	(75.8)
Underlying EBITDA	48.4	38.7
Leverage	2.34	1.96

4. UNDERLYING PROFIT AND EPS

Management have updated the definition of non-underlying items to include foreign exchange (losses)/gains (see note 7 to the financial statements) in order to reflect the underlying performance of the Company. This has removed the impact of gains and losses on intercompany loan balances and (losses)/gains on the Group's former Euro loan facility.

As a result of the volume and nature of acquisitions, management reviewed and updated the definition of underlying basic EPS to exclude the impact of the amortisation of acquired brands and software. This change ensures that underlying EPS continues to measure performance excluding the impact of all intangible assets and liabilities created through the IFRS 3 'Business Combinations' accounting standard.

The above resulted in the update of the 2020 comparative for underlying profit before tax (previously £21.4m and now £20.1m) and underlying EPS (previously 22.49p and now 21.77p).

INSTITUTIONAL CLIENT SERVICES

Institutional Client Services

JON JENNINGS
GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES
&
DEPUTY GROUP MANAGING DIRECTOR

A YEAR OF PROGRESS

2021 was a strong year for the ICS Division, with growth in revenues to £92.7m (2020: £64.6m), and EBITDA of £28.0m (2020: £18.0m) at an EBITDA margin of 30.2% (2020: 27.9%). This represents good progress towards our Galaxy era objectives and we are on track to achieve our goal of establishing JTC as the first choice for partner-led, technology-enabled solutions for fund and corporate services clients. I described in detail last year how we were reconfiguring our operating model to enhance service delivery and support growth, creating both more internal efficiency and greater levels of client service excellence from our pan-jurisdictional teams. One year on we have delivered further improvements to our margins, all driven by an unrelenting attention to detail and our commitment to simplifying the complex by getting the right people doing the right things in the right places.

ICS has grown and evolved rapidly over the past three years, with 12 acquisitions in the Division since our IPO in 2018. Areas of particular strength include our operations in Cayman, Luxembourg, Jersey, the UK and South Africa. It is pleasing to note that our established jurisdictions continued to grow organically, not least through the operational improvements described above, while our more recent and developing platforms also made good progress, often due to our proven and disciplined approach to integration.

HIGHLIGHTS

- Continued progress with margin improvement to 30.2% underlying EBITDA
- Strong integration progress with the RBC cees business, now re-branded as JTC Employer Solutions
- Deepening of US platform with the addition of Segue Partners, SALI Fund Services and EFS
- Further build-out of Irish and UK platforms

REVENUE (£M)

+43.6%

UNDERLYING EBITDA (£M)

+55.8%

UNDERLYING EBITDA MARGIN (%)

+2.3pp

LIFETIME VALUE WON (£M)

-2.9%

LVW is 10 times annualised value of work won minus value of attrition in past year.

RECORD ACQUISITIONS

We completed a record seven acquisitions during the year: RBC cees (Channel Islands and UK), INDOS (UK and Ireland), Segue Partners (US), Ballybunion Capital (Ireland), SALI Fund Services (US), perfORM (UK) and EFS (US). All of these transactions fit with our strategy of acquiring high quality businesses that enhance our geographical reach and scale, add strength and depth to our service offering, and bring with them industry professionals of the highest calibre.

We are excited and very positive about the impact of our expanded US presence through the addition of Segue, SALI and EFS, all of which were announced in the second half of the year. While our core US business continued to face a number of headwinds, including the ongoing impact of Covid and a low interest environment, it nevertheless made good year on year progress in terms of both organic growth and margin improvement. Now we are in the process of ensuring that we capitalise on the opportunities these acquisitions present in what is both the largest and fastest growing institutional markets in the world.

INSTITUTIONAL CLIENT SERVICES CONTINUED

"Our work to improve efficiency continued, delivering +2.3pp in underlying EBITDA to 30.2% for the year."

The RBC cees acquisition demonstrates the potential of another business line within corporate services. In 2021 we successfully re-branded it to JTC Employer Solutions, and it is a particularly strong example of where our inorganic growth strategy has captured significant value for the Group that will continue to compound over the long term. We have also successfully migrated INDOS' ESG services to the JTC brand and in 2022 will launch an expanded range of ESG services designed to enhance and grow our relationships with existing JTC clients and attract new business to the Group.

Through the acquisitions of INDOS and Ballybunion, we have substantially expanded our platform in Ireland, which began with a greenfield corporate services offering in 2020. This growing Irish presence complements our existing fund services offering in the Channel Islands, the UK and Luxembourg. It also creates important opportunities with the US market, for clients needing a European structure, and who feel closely connected to Ireland historically and culturally. In addition, the Investment Limited Partnership (ILP) regime in Ireland was updated in 2021 to attract increased private capital into the country and post period end we became one of only two third party Alternative Investment Fund Managers (AIFMs) to have supported the launch of an ILP. We will continue to invest in this important jurisdiction.

The growth in new capabilities and service offerings has also seen an increase in – and understanding of the power of – cross-selling and collaboration across the ICS Division itself, and also to and from the PCS Division. This is generating ever greater awareness and understanding of the benefits that come from working across the Group as a whole, something we will be building on in the coming years. It also has the effect of transitioning JTC, from an external perspective, to a trusted adviser role rather than merely a service provider. We are recognised as experts in complex areas.

ORGANIC GROWTH

Our new business development in the year was strong, with an annualised value of £13.1m in business won. This was marginally behind the 2020 figure, which benefited from two large mandates of over £1m. The new business pipeline remains strong and we continue to invest in our business development and marketing capabilities.

We have also continued to develop and evolve our service offering, with our UK business now recognised for market-leading Transfer Agency services as well as our governance and support services for listed companies. Our Netherlands office – in partnership with London – achieved rapid growth in Special Purpose Acquisition Company (SPAC) services, as well as a raft of service lines in support of Dutch M&A activity. Including Jersey and Luxembourg, we are now providing SPAC services in four different jurisdictions and in Luxembourg were the first firm of our type to provide services to SPACs.

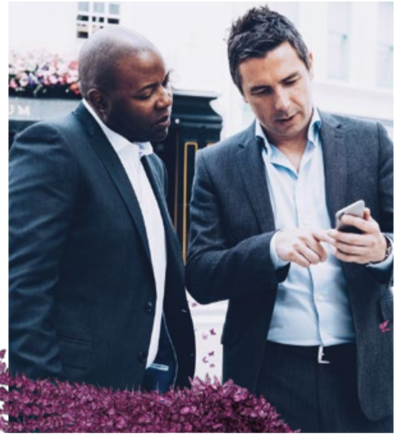
REALISING OPERATIONAL EFFICIENCIES

Operationally we made strong progress in 2021 with internal margin-enhancing projects. We restructured to work in pan-jurisdictional teams, where the changing working habits brought on by the pandemic have actually helped, with remote team collaboration becoming more normal. We have found it improves everyone's client-facing skills and knowledge. We have also deployed new technology, automating processes that were previously manual, and this has yielded measurable success and demonstrated an ability to scale, which we can introduce throughout the Division more widely in 2022. With the improved client knowledge allied to automation, client on-boarding processes, for example, can be achieved by far fewer people, and much more quickly. The best people using the best technology is a powerful combination.

We also appointed a Divisional Chief Operating Officer and an ICS Finance Director, to increase our capacity for operational programme management without affecting senior client-facing personnel. We have centralised the client on-boarding team, and a phased roll-out is underway. We have also made improvements to our global pricing forum to ensure consistency across the Division. Our teams around the world continued to provide outstanding service, and I am pleased to report sector-leading levels of employee retention.

LOOKING AHEAD

Our work in 2022 will be about building on what we achieved in 2021, the first year of our Galaxy era. In particular, we will focus on integrating our acquisitions and developing our US business. We will also keep a strong focus on maintaining the progress we have made in margin improvement, as well as on developing our proposition and sales capabilities, to make the most of our expanding range of services.



PRIVATE CLIENT SERVICES

Private Client Services

IAIN JOHNS
GROUP HEAD OF
PRIVATE CLIENT SERVICES
&
GROUP MANAGING DIRECTOR

A SOLID YEAR'S PERFORMANCE

The Division had a solid year, with growth in revenues to £54.8m (2020: £50.5m) and delivering EBITDA of £20.4m (2020: £20.7m) with an underlying EBITDA margin of 37.2% (2020: 41.0%). Importantly, we delivered 7.1% net organic revenue growth (2020: 9.0%), which remains ahead of sector expectations in general and represents an exceptional year relative to peers, especially as we achieved it in the face of some strong regulatory and economic headwinds, and against comparatives from an exceptional close to 2020. It demonstrates that our leading PCS proposition continues to generate strong organic growth, with healthy new business flows from new and existing clients.

Our regional approach to business development has brought strong growth and we will continue with this successful model, prioritising specific projects in the Americas, Caribbean, Asia Middle East and Africa (AMEA) and Europe.

HIGHLIGHTS

- Record new business wins of £7.8m including largest ever initial client mandate of £2.5m p.a.
- 7.1% net organic growth and margin of 37.2% underlying EBITDA
- Continued investment in talent and infrastructure to drive future growth
- Further development of regional offices and breadth of service line offering

REVENUE (£M)

+8.4%

UNDERLYING EBITDA (£M)

-1.7%

UNDERLYING EBITDA MARGIN (%)

-3.8pp

LIFETIME VALUE WON (£M)

+82.9%

LVW is 10 times annualised value of work won minus value of attrition in past year.

We have been scaling our global platform for further growth through investment in technology, operations and our senior team.

COMMITTED TO EXCELLENCE

We strive for excellence in everything we do, always looking for ways we can improve and offer more value to our clients. This forward-looking approach will continue to be a contributing factor to our success as we anticipate what services our clients want, then we make sure we deliver to the highest standards.

Our reputation for guaranteed premium quality service helped us to win some significant new mandates in 2021. We also won 15 team and individual industry awards during the year, which again reflects the standard of service delivered by our global private client team. This included the inaugural ePrivateClient Excellence Award for the Best Trust Company. These awards back up our belief that we are the world's pre-eminent trust company. Our focus on excellence will be a key part of our strategy in 2022 and beyond.

INCREASING REGULATION

In line with wider industry trends, there have been greater levels of regulatory activity and we anticipate this continuing in the medium to long term. This is undoubtedly good for JTC as a large part of our appeal to clients is our ability to navigate complex and evolving regulatory frameworks. However, while there are costs associated with remaining at the forefront of developments, we believe this is

PRIVATE CLIENT SERVICES CONTINUED

the only sustainable approach to take, and the one that will add the most value to our long-standing client relationships.

The increase in regulation also brings new business opportunities for JTC, including the development of our regulatory reporting services associated with Automatic Exchange of Information (AEoI) global legislation. Clients have to comply with global standards and disclosures, and as a result they choose to work with a company that can get it right for them. We have an expert team to deliver this, ensuring the highest standard of service for clients.

EXCEPTIONAL NEW BUSINESS WINS

Our total new business wins of £7.8m (2020: £4.5m) was an exceptional result, even when taking into account winning our largest ever client in Q2 2021. This win is an outsourcing mandate for a global bank. The process of on-boarding this client is substantial and includes up-front investment in technology and personnel. We anticipate revenues will begin to flow from the second half of 2022.

That particular win is further evidence of our ability to compete successfully for large and complex engagements with major financial institutions as well as our reputation in the market for delivering premium service.

We also gained further traction and market penetration with the diversification of our service offering, including tax compliance and regulatory reporting, among others.

TECHNOLOGY FOR GROWTH

To provide these new services efficiently to major institutions, we must have the requisite technology in place. We've always invested in our platform in a steady incremental manner and we continue to do so.

We're investing in technology to support our strategy and ongoing projects within the PCS business, including further enhancements to our client portal, Edge. This investment will also ensure that we have the technology to underpin the continued delivery of client service excellence, particularly with ongoing regulatory changes anticipated in the future.

OUR PEOPLE

Levels of collaboration and our JTC spirit remain strong, which is a key contributing factor to our success. Staff turnover in the Division remains low, and we have attracted new, world-class, talent to the business from around the industry. This is testimony to our strong brand and reputation. With a view to the longer term, we have been active in succession planning, developing an appropriately managed talent pool to make sure that we can deliver the same premium quality service well into the future.

LOOKING AHEAD

A substantial area of focus in the coming years will be the development of the US market. In addition, we will continue to grow our other established regions; the Channel Islands and UK, Europe and AMEA. We have developed strategies for each of our markets to continue to drive growth organically and through potential acquisitions. We always look ahead, considering regulatory changes, technology requirements and anticipating what our clients are likely to need in the future and where they will want services delivered from.

We will also further refine JTC Private Office, including building our governance services and luxury-assets practice, and we already have highly regarded experts within the Division in marine, aviation, real estate and art, among others. Our JTC Private Office brand has already demonstrated value as we are becoming increasingly known for servicing larger mandates and as a hallmark for quality.

Our brand proposition has continued to evolve and lead the market, with our stated aim of being 'shapers, not followers' translating well into high quality marketing programmes that promote our expertise and thought leadership. We will continue to capitalise on our brand, positioning JTC as the gold standard in private client work, the hallmark of quality.

INORGANIC GROWTH STRATEGY

A record start to the Galaxy era

Our Galaxy era multi-year business plan aims to double the size of the business – in terms of revenue and underlying EBITDA – from the position we achieved at the end of 2020. In working to reach that goal, we expect around one-third of our growth to be organic and two-thirds to be inorganic via our disciplined and proven approach to M&A. Having made our first acquisition in 2010, we have since completed 25 deals, of which 13 have been since our IPO in 2018, making inorganic growth a core competency of the Group.

In support of our strategy, we undertook two successful equity fundraises in 2021 generating gross proceeds of £144.8m. The first, in April, was used to strengthen our balance sheet following acquisitions announced in H2 2020 and to enable us to pursue several opportunities which required us to be able to transact quickly. Although we ultimately chose not to progress all of those deals, we used part of the proceeds, as well as those from a second fundraise in October, to finance the SALI acquisition. We were delighted to receive strong support from investors, with both fundraises heavily oversubscribed and also to see participation from Directors and our Employee Benefit Trust.

With such a full year for M&A in 2021, it is worth revisiting our approach to inorganic growth, with a specific emphasis on how we capture and maximise long-term value.

"2021 was a record year with seven acquisitions completed across a range of target sizes, service lines and geographies."

COMPANY	KEY FEATURES	COMPLETED	CONSIDERATION
RBC Corporate Employee & Executive Services	– Market leader (Employer Solutions) – 30+ year client relationships – Highly qualified and experienced team – Blue chip client base – Strong margin enhancement and organic growth/cross-selling opportunities	April	£10m – £20m
INDOSFINANCIAL	– Leading provider of depositary, AML and ESG services – Expands footprint in UK and Ireland – Highly expert and experienced team – Organic growth driver through increasing range and quality of ICS services	June	£10m – £20m
SEGUE PARTNERS	– Scalable US fund services business – Expert and dynamic team – High quality client book spanning a range of alternative asset classes – Organic growth driver through combination with wider US footprint	September	<£10m
perfORM DUE DILIGENCE SERVICES	– Leading provider of operational due diligence (ODD) services – Offering spans key segments of ICS and PCS client base – UK, Europe and US reach – Strong organic growth potential	October	<£10m
BALLYBUNION CAPITAL	– Irish ManCo and fund services business – Expert and experienced team – High quality client book with strong margins – A key component of building our Irish platform – Strong ties to the US market	December	£10m – £20m
SALI FUND SERVICES	– US fund services business of scale – Market leader for Insurance Dedicated Funds (IDFs) – 40+ year client relationships – Near-term opportunity in combination with EFS and existing US footprint – Medium to long-term growth via IDF ecosystem participants (blue chip insurers, asset managers, brokers and UHNWI)	November	>£150m
Essential FUND SERVICES LLC	– US fund services business – Boutique with high degree of expertise in IDFs – Strong legacy relationship as preferred partner to SALI – Organic growth driver through combination with wider JTC footprint in the US	December	<£10m

INORGANIC GROWTH STRATEGY CONTINUED

OUR 2+2=5 APPROACH

Fundamentally, we look to do deals that make JTC a better business for the long term and our disciplined inorganic growth strategy has a number of inter-related components that help us deliver on this – our so-called 2+2=5 approach.

7
acquisitions completed

1,050+
clients welcomed

275+
new colleagues welcomed

6
new locations added to network

$75bn+
added to Group AuA

1 – ORIGINATION

- Refined criteria and focus
- Highly selective 15:1 deals reviewed vs. executed
- Reputation for being straightforward

X

Y

2 – INTEGRATION

- Highly experienced Operational Departments
- Full range from bolt-ons to highly complex carve-outs
- Shared Ownership gives unique cultural welcome and incentives
- Disciplined approach to full integration – we do it properly

Essential

SALI FUND SERVICES

BALLYBUNION CAPITAL

perfORM DUE DILIGENCE SERVICES

SEGUE PARTNERS

INDOSFINANCIAL

RBC Corporate Employee & Executive Services

3 – EXECUTION

- In-house expertise plus trusted advisors
- Price discipline is hard wired
- We know when to say no

4 – ENHANCE

- Identify and quantify improvements from Day 1
- Making core to JTC energises growth initiatives
- Develop, enhance and cross-pollinate
- What gets measured gets delivered

5 – LONG-TERM VALUE CREATION

- Accelerate and drive organic growth
- Achieve Group margin range
- Increase share of wallet
- Achieve market leader status
- ROCE > WACC over 12-36 months

INORGANIC GROWTH STRATEGY CONTINUED

Case Study RBC cees acquisition

The specifics of each deal are unique and nuanced, but to illustrate our 2+2=5 approach in action we can consider the acquisition of the RBC cees business, which was announced in December 2020 and completed in April 2021.

"A perfect example of how our inorganic model works from origination through to the creation of long-term value."

+300
clients, many blue chip, 30+ year relationships

Deeper talent pool
150+
new colleagues

Footprint expansion
Edinburgh office

Award winning
in year 1

ProShare AWARDS WINNER
Best Overall Performance in Fostering Employee Share Ownership

RBC Corporate Employee & Executive Services

1 – ORIGINATION
- Understood the seller's motivation and perspective
- Successful track record of similar deals
- Shared Ownership makes us a good 'new home'
- Non-core for the seller is core+ for JTC

2 – INTEGRATION
- Offered a proven approach to 'carving out' – minimise risk to the seller
- Immediate fit with JTC core business is highly energising
- Shared Ownership eases cultural transition for employees
- No surprises integration plan, including complex TSA

3 – EXECUTION
- Off market allows us to get close to the seller and their needs
- Reputation, client satisfaction and team retention all key
- Price not the primary driver
- Certainty of execution very important

4 – ENHANCE
- Multi-million p.a. cost savings from Day 1
- Rapidly re-brand to JTC Employer Solutions
- Development roadmap including client portal
- Cross-sales across the wider Group
- Identify, track, measure, repeat

5 – LONG-TERM VALUE CREATION
- Group margin in less than 12 months
- Material cost savings on the JTC platform
- Re-invigoration of organic growth
- Blue chip clients with c.30-40 year lifespans
- Pro-Share award win in first year of ownership
- 2+2=5 (at least)

INORGANIC GROWTH STRATEGY CONTINUED

The art and science of integration

"Our approach to integration sits at the heart of capturing value from acquisitions and we place a particular emphasis on welcoming people to our unique culture."

WENDY HOLLEY
GROUP CHIEF OPERATING OFFICER

Vital to the success of our inorganic growth strategy is integration onto the JTC platform. This is led by our Chief Operating Officer, Wendy Holley, and enabled by our outstanding Group Operations teams.

Our approach enables the market-facing Divisional teams to focus on client service excellence, while simultaneously ensuring that cultural alignment and every last operational detail are taken care of and maximum long-term value is captured from each acquisition.

New colleagues welcomed in 2021
275+

Clients welcomed in 2021
1,050+

OUR TEAM

DEAN BLACKBURN
GROUP CHIEF COMMERCIAL OFFICER

RICHARD INGLE
CHIEF RISK OFFICER

WILLIAM BYRNE
CHIEF GROUP COUNSEL

CAROL GRAHAM
GROUP DIRECTOR: GROUP HUMAN RESOURCES

DAVID VIEIRA
CHIEF COMMUNICATIONS OFFICER

ADAM JEFFRIES
CHIEF INFORMATION OFFICER

BECKY HENWOOD-DARTS
GROUP DIRECTOR FINANCE

MIRANDA LANSDOWNE
GROUP COMPANY SECRETARY

KENNY RAE
COO – ICS DIVISION

TRACEY MCFARLANE
COO – PCS DIVISION

SARAH KITTLESON
GROUP DIRECTOR – RISK & COMPLIANCE

ZACH MUELLER
SENIOR DIRECTOR – M&A

LESLEY BASSFORD
SENIOR DIRECTOR, GROUP FINANCE

INORGANIC GROWTH STRATEGY CONTINUED

OUTLOOK

While we have exceptional operational capabilities to achieve seamless integration, we are always aware of the need to protect our platform as it grows. With this in mind, we expect 2022 to be a year where we focus on consolidating what was added to the Group in 2021 and, in particular, on ensuring that we create the optimal environment to capture the full benefits and cross-pollination opportunities that were key drivers of those deals.

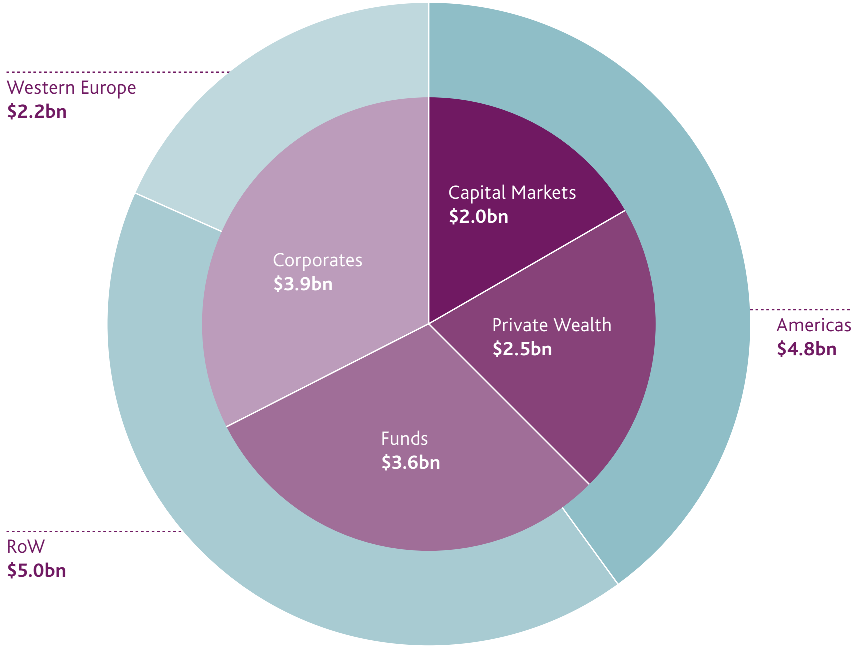
That being said, the industry continues to benefit from long term structural growth drivers (see page 9) and remains fragmented, with thousands of participants in a global market that is estimated to be worth at least c. $12bn in annual revenues.

Our pipeline of opportunities remains active and fully aligned to our strategy, as we seek to add new capabilities that fit our client service excellence delivery model; enable us to expand our scale in key growth markets; add talent and expertise to the Group and enable further development of our internal market capabilities.

Following a successful refinancing of our debt facilities in October, and taking into account the proceeds of our two equity fundraises, our balance sheet remains strong and we have the necessary firepower to execute on the near-term, visible opportunities in our acquisition pipeline. We remain open to larger deals where our criteria for generating long-term value for the Group are met and aim to generate ROCE in excess of WACC within 12 – 36 months of any transaction.

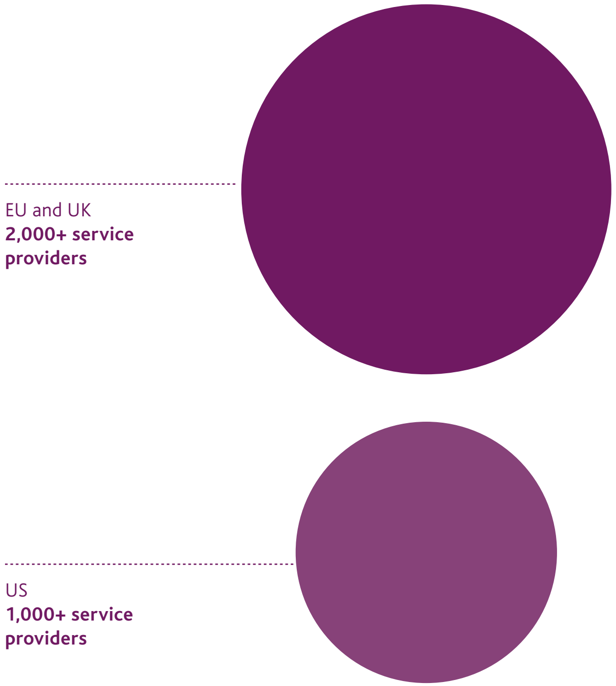
GLOBAL ADDRESSABLE MARKET

c. $**12**bn



SECTOR REMAINS HIGHLY FRAGMENTED

3,000+ service providers

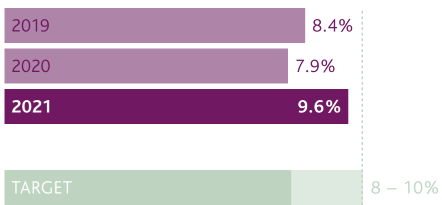


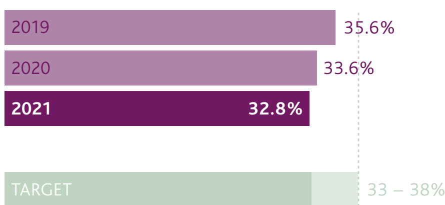
Source: TrustQuay research, 2021.

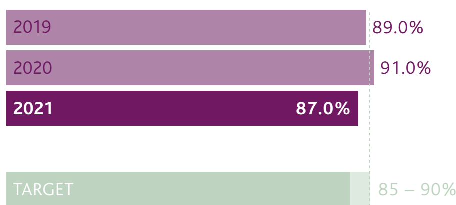
KEY PERFORMANCE INDICATORS

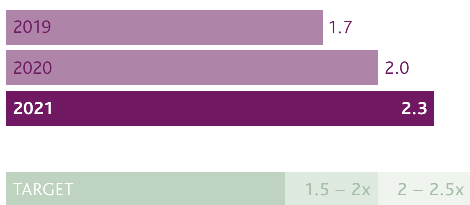
The JTC Board uses the following KPIs to measure the performance of the Group

FINANCIAL	**REVENUE** Revenue generated based upon work done.	**UNDERLYING EBITDA MARGIN** The EBITDA margin of the underlying business.	**UNDERLYING CASH CONVERSION** Our success in turning profits into cash.	**LEVERAGE** The relative amount of third party debt we have in the business.
DEFINITION	Revenue of the business excluding items considered non-recurring or not of an operational nature or not reflective of the underlying performance of the business.	Underlying EBITDA margin of the business excluding items considered not of an operational nature or not reflective of the continuing underlying performance of the business divided by revenue.	Net cash generated from underlying activities divided by underlying EBITDA.	Third party debt less cash, divided by underlying EBITDA.
WHY IT'S IMPORTANT	Revenue is a reflection of the work we do for clients. We seek to deliver a high quality service, do more work for existing clients and attract new clients.	Underlying EBITDA margin is our key measure of how well our business is performing, including relative to the wider industry.	Cash generated allows us to service our debts and invest in the business (both organically and through acquisitions) and to pay dividends to shareholders.	We need to manage the business without holding excessive levels of debt and with sufficient headroom in our banking covenants.
2021 PERFORMANCE	Revenue growth of 28.2% which comprised 9.6% net organic growth and inorganic growth of 18.6%.	Decrease of 0.8pp to 32.8%.	87.0% underlying cash conversion (2020: 91.0%).	2.3x underlying EBITDA (2020: 2.0x).
COMMENTARY	The PCS Division achieved 8.4% growth and net organic growth of 7.1%. The ICS Division achieved 43.6% growth and net organic growth of 11.5%.	The ICS Division achieved 30.2% (+2.3pp) continuing the positive trend seen in 2020. The PCS Division achieved 37.2% (-3.8pp) remaining at the top end of our guidance range and reflecting investment for future growth.	Underlying performance in line with guidance and this continues to reflect the predictability and highly cash generative nature of our business.	This increase was expected due to the additional financing used to fund acquisitions made in the latter part of the year. The pro-forma net debt at year end was 2.0x underlying EBITDA.
TARGET	We aim to achieve net organic revenue growth of 8% – 10% at Group level every year.	We aim to deliver an underlying EBITDA margin in the range of 33% – 38%.	We aim to achieve 85% – 90% cash conversion each year.	We aim to stay within 1.5 – 2.0x leverage. We will exceptionally increase this to 2.5x when supported by clear visibility of incoming cash flow and rapid reduction to below our target.



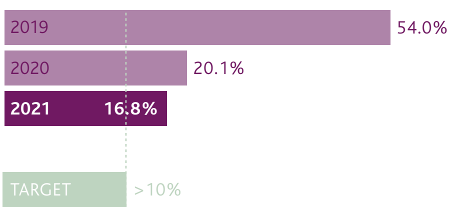


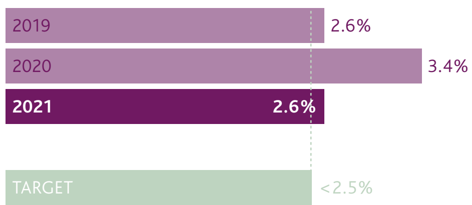


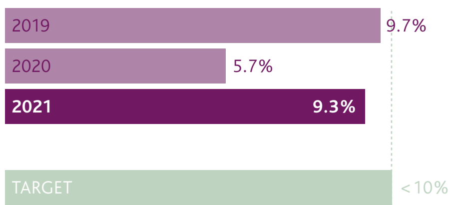


KEY PERFORMANCE INDICATORS CONTINUED

OPERATIONAL	NEW BUSINESS WINS **The annualised value of new business won (AVNBW) each year.**	CLIENT ATTRITION **The amount of business that we lose each year.**	STAFF TURNOVER **The number of staff who leave each year that we did not want to leave.**	SHARED OWNERSHIP **How many of our permanent employees are owners of the business.**
DEFINITION	Annualised value of new work won from clients where we have a signed contract.	Work lost that was not end of life.	Number of staff who leave in the year that we did not want to leave divided by average number of staff in the year.	The proportion of permanent employees who are direct owners of the business through our Shared Ownership programmes.
WHY IT'S IMPORTANT	Our industry has good growth fundamentals. In order to meet our organic growth targets we need to win new work every year.	We have a high proportion of annuity business. Minimising the number of clients that leave JTC is a key indicator of customer satisfaction.	We deliver a high touch service to clients. Maintaining continuity of staff ensures that we are best able to meet client needs.	Shared Ownership is our key differentiator. It is important that staff have a direct stake in our business to promote a stakeholder mentality and ensure that their interests are aligned with external shareholders
2021 PERFORMANCE	Another record year for new business wins with an increase by value of 16.8% to £20.9m.	Total client attrition was 7.9% (2020: 8.8%) with regretted attrition of 2.6% (2020: 3.4%).	Turnover of 9.3% at Group level (2020: 5.7%).	100% of permanent employees are owners of the business with staff holding c. 20% of issued share capital.
COMMENTARY	The ICS Division won new business with a total annualised value of £13.1m and the PCS Division won new business with an annualised value of £7.8m, including JTC's largest ever single mandate, with a value of c. £2.5m p.a.	97.4% (2020: 96.6%) of revenues that were not end of life were retained in the period.	A good performance as we continued to support our people through ongoing pandemic restrictions and while growing substantially through acquisitions. We continue to benchmark favourably to peers and the wider sector.	In July, over £20m worth of JTC shares were awarded to our people globally, our first Shared Ownership distribution since listing. This reflected the strong performance of the Group achieved against the 'Odyssey era' business plan from 2018 to 2020.
TARGET	We aim to achieve at least a 10% increase in the annualised value of new business wins year on year.	We aim to keep regretted client attrition at less than 2.5% p.a.	We aim to keep annual staff turnover, as defined, at less than 10%.	100% of permanent employees to be owners of the business.







ENVIRONMENTAL SOCIAL GOVERNANCE

ESG introduction

WENDY HOLLEY
GROUP CHIEF OPERATING OFFICER
&
CHIEF SUSTAINABILITY OFFICER

Shared ownership is at the heart of our culture and we are committed to help create a world where all stakeholders have the opportunity to thrive and reach their maximum potential. As a leading provider of financial services, we are uniquely positioned to support our clients as they navigate ever changing legal and regulatory frameworks and help align capital flows to address ESG issues and sustainable long-term value creation. Equally, we recognise the impact that all businesses – not just those in carbon intensive industries – have on the health of our planet.

"In order to achieve our objectives, we have committed to an ESG framework that is based on our purpose and cultural values."

In order to achieve our objectives, we have committed to an ESG framework that is based on our purpose and cultural values. We believe our culture of Shared Ownership uniquely positions us as it places the interests of the collective above the interest of any individual. This year we are pleased to report for the first time under TCFD, and for the second time under the SASB framework. As our approach to ESG disclosure matures, we seek to apply the expertise gained to report in a more granular and target based manner.

We are proud of meeting our target of becoming a Carbon Neutral+ organisation in 2021, and in 2022 we will seek opportunities to understand the impact of net zero targets on our entire value chain. We also look forward to reaping the benefits of enhanced ESG oversight at the Board level, including through my own appointment to the role of Chief Sustainability Officer, as well as by strengthening Terms of Reference in our various sub-committees to ensure that ESG considerations are at the core of our strategic decision making.

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

ESG year in review

WENDY HOLLEY
CHIEF OPERATING OFFICER & CHIEF SUSTAINABILITY OFFICER

Q: WHAT SUSTAINABILITY ACHIEVEMENTS ARE YOU MOST PROUD OF THIS YEAR?

In 2021, we took an important step forward in our sustainability efforts by becoming a Carbon Neutral+ organisation. The project not only allowed us to measure the carbon impact of our business operations, it has given us important insight into where we can look to curb emissions in the future. We chose to purchase offsets that contribute toward meaningful projects that have a positive impact on communities in the UK, Africa, and India. We also strengthened Board level commitments to ensure that ESG and sustainability are at the heart of the firm's strategic decision making. Finally, this is our first year reporting under the TCFD framework and we are proud to see our corporate disclosures evolve.

VICTORIA GILLESPIE
HEAD OF ESG SERVICES

Q: WHAT ARE YOUR ESG PRIORITIES FOR THE YEAR AHEAD?

2022 will be an important year in JTC's ESG journey. As well as developing our own ESG governance framework, we are eager to showcase our capabilities in providing commercial ESG services to clients. Our status and obligations as a listed business, and in particular the public disclosures we make, demonstrate and bolster our inherent expertise in the rapidly evolving ESG market. By marrying our deep expertise and decades of experience in the funds, corporate and private client services markets to our growing ESG capabilities, we will be able to offer clients a potent and almost unique combination of skills and experience. While ESG is inherently about managing and mitigating risk, we also see great opportunities for positive and sustainable growth.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

Q: HOW IMPORTANT IS THE SOCIAL CAPITAL ELEMENT OF ESG TO JTC?

Shared ownership sits at the heart of our culture and has proven to be a differentiator for over 24 years. As our business continues to grow, it is important that our people feel empowered to act to support the needs of our clients. We encourage employees to think and act like owners, and seek to develop talent from within the organisation. This year, our employees received a £20m award of JTC shares, a reflection of our strong performance since IPO and reward for our collective endeavours to drive the long-term success of our business. Equally, by encouraging employees to engage with and contribute to their local communities, we hope to have a broader impact on social wellbeing.

MIKE LISTON
CHAIRMAN

Q: WHAT DO YOU SEE AS JTC'S ROLE IN A MORE SUSTAINABLE WORLD?

JTC is perfectly positioned to provide ESG expertise and support to our client base, and we see sustainability as a natural extension of our established service offerings. As a trusted adviser, we are ideally placed to help our clients navigate complex regulatory and reporting frameworks and our strategic acquisition of Indos last year has strengthened our ability to service clients in the rapidly evolving ESG space. Our value proposition is centred around our ability to manage sophisticated requirements, and as attention shifts towards a broad range of ESG objectives, we look forward to helping clients create sustainable success.

OUR PROGRESS

FEBRUARY 2021

Indos Acquisition

JTC acquires Indos Financial, bolstering our ESG expertise and capabilities.

JULY 2021

Shared Ownership

JTC makes£20m Shared Ownership award to all employees.

OCTOBER/NOVEMBER 2021

COP26

JTC joins Aviva and other industry leaders in advocacy efforts ahead of COP26.

DECEMBER 2021

Carbon Neutral+

JTC becomes a Carbon Neutral+ organisation.

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

ESG overview

ESG is a rapidly evolving discipline and to ensure that we are keeping pace with change, we have identified focus areas that are most material to our business and culture. We have linked our strategic ESG objectives to supporting targets, allowing us to define and measure progress over time. Underpinning each of these objectives and targets is our culture of Shared Ownership.

In 2021, we made good progress towards our targets, with a particular focus on understanding the impact of our business operations on the environment; an emphasis on growing and developing our employees, and an overall strengthening of Board level oversight of ESG matters. This progress provides a solid foundation from which we will continue to build our ESG programme.

> "ESG is a rapidly evolving discipline and to ensure we are keeping pace with change, we have identified focus areas that are most material to our business and culture."

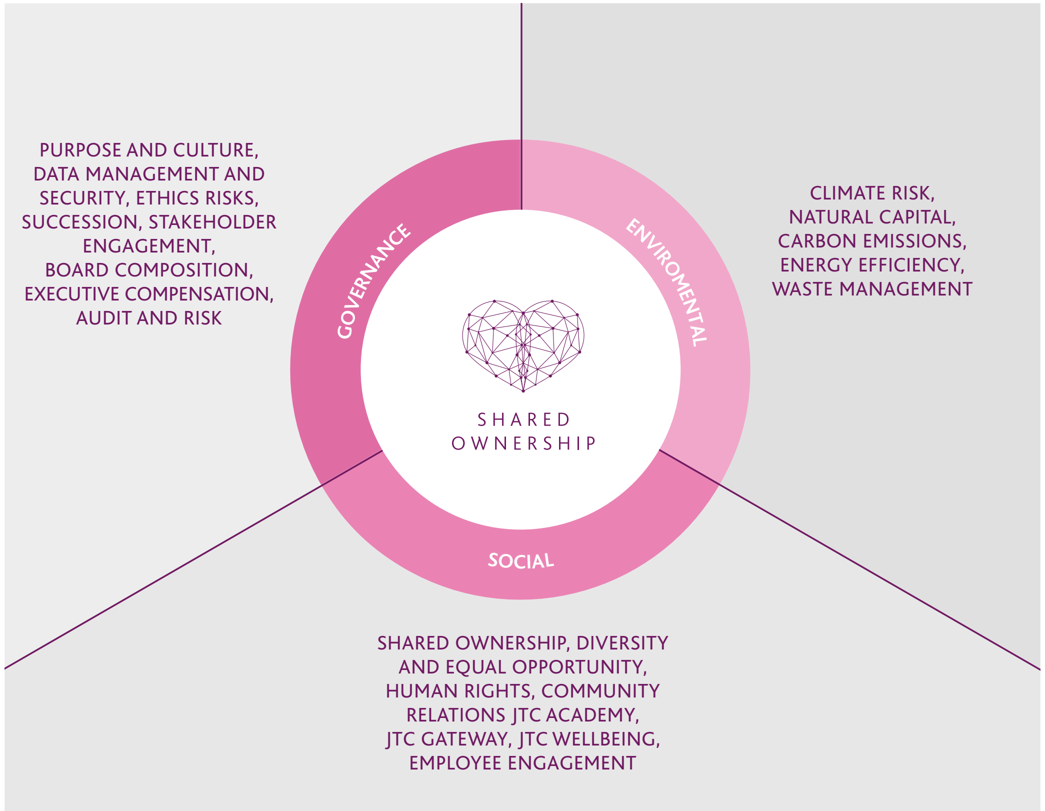
SHARED OWNERSHIP

OUR PRIORITIES	STRATEGIC OBJECTIVES	SUPPORTING TARGETS	PROGRESS MADE IN 2021
ENVIRONMENTAL	– Assess the impact of JTC's business operations on the environment – Reduce our carbon footprint – Contribute towards initiatives and projects that support the natural environment – Support our clients in ESG matters including the rapidly evolving regulatory landscape on the path towards net zero	– Measure our carbon footprint and pursue ways to reduce it – Commit to becoming carbon neutral by purchase of validated carbon offsets – Expand internal expertise and capacity to service clients on ESG issues – Measurably increase employee awareness of environmental strategic objectives	– JTC became a Carbon Neutral+ organisation – Acquisition of Indos brings strategic talent and sets the stage for the expansion of JTC ESG services
SOCIAL	– Apply our culture of Shared Ownership to best service the needs of our clients – Hire, develop and retain the best people, helping them to maximise their potential – Help our people achieve balanced wellness through our JTC Wellbeing and JTC Academy programmes – Contribute towards the wellbeing of local communities where we live and work	– Hire, develop and retain the best talent in the industry to support our clients – Support employee growth and development with targeted training and career development opportunities – Invest in meaningful charitable causes and carbon offset projects that enhance overall social wellbeing	– Shared ownership distribution of £20m to all our people globally – Focus and investment in training and development – Internal promotions and sector-leading retention – Employee wellbeing and wellness initiatives including formalisation of remote work policy
GOVERNANCE	– Expand Board level oversight of ESG strategy – Formalise Board level review of key ESG priorities – Prioritise Board composition to ensure diversity of thought, background, and experience – Maintain robust risk frameworks and best-in-class controls	– Enhance Board level oversight of strategic ESG matters – Improve Board level diversity and ESG expertise – Update Terms of Reference to formally bring ESG matters into the direct remit of the Board and its sub-committees	– Appointment of CSO (post period end) – Updates to Terms of Reference to provide Board level consideration on ESG risks and opportunities (post period end) – Appointment of a new female Independent Non-Executive Director, Kate Beauchamp (post period end) see page 62

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

Our ESG framework

Over time, we fully expect our ESG framework to evolve and new elements will be added for us to define, measure, and track.



We have identified key metrics that align with priorities within our ESG framework. By monitoring these metrics, we can better measure our progress towards meeting our strategic ESG objectives and supporting targets, as detailed on page 30.

ENVIRONMENTAL

1,500
tonnes of carbon offset

1,000
trees planted in Brazil in lieu of printed holiday cards

1
JTC purchased its first fully electric company vehicle

SOCIAL

9.3%
employee turnover rate

58%
of employees are female

150
employees participated in management training

188
employee promotions

£187,000
donated through JTC Supports and JTC Active

2,500
learning materials available in JTC Academy

GOVERNANCE

£20m
Shared Ownership award to employees in 2021

38%
female members of the Board (post period end)

63%
of Board members are Non-Executive Directors (post period end)

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

Our ESG framework outlines key considerations for our business and we seek to prioritise the issues that are most relevant to our business and our stakeholders.

ENVIRONMENTAL

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
Operations – Carbon emissions – Energy efficiency – Waste management Our strategies in these areas are focused on efforts to reduce energy usage, increase office efficiency and ensure compliance with environmental regulations.	In 2021, we fulfilled our commitment to become a Carbon Neutral organisation. INDOS, acquired in 2021, remains a service provider signatory to the UN Principles for Responsible Investment (UNPRI) and a Carbon Footprint Standard accredited Carbon Neutral Organisation and we have been able to integrate expertise and experience across the wider Group. We are committed to minimising environmental impact wherever practicable and in the best interest of our stakeholders. Such measures include: – a commitment to energy efficient office premises and measures including those that manage lighting, heating, and IT/communications equipment; – a commitment to digital document management to reduce paper consumption. New working practices and habits in this area have become more deeply entrenched as a result of the acceleration of remote working as part of the response to Covid-19 and practical realities of a hybrid work model, particularly where our employees are globally dispersed; – a commitment to minimise all non-essential travel, in particular air travel, and the use of alternative technologies, such as video conferencing for both internal and external purposes. Our use of travel in 2021 continued to be reduced from pre-pandemic levels. While we anticipate travel will increase again from 2022 onwards, we believe we will continue to be very effective with reduced travel; – a commitment to minimise the use of disposable/single use plastics; including the Group-wide adoption of glass and ceramic glasses, bottles, cups, plates and bowls for food and beverage consumption; and – a commitment to purchase all stationery from responsible suppliers that are committed to sustainable source materials i.e. those that adhere to the www.fsc.org 'paper from responsible sources' and the Rainforest Alliance standards.
Services – Climate change – Natural capital – ESG support for clients Our strategies in this area include engagement with our value chain (including investors, clients and suppliers) and providing support to clients as they seek to adapt their own business models to become more sustainable.	As the climate change regulatory environment continues to evolve, we understand the need to manage transition risk for our business and also recognise the significant service opportunities that exist within our client base. In order to prepare for compliance with TCFD, we have enhanced our governance oversight and employee capabilities related to ESG. Further, several recent acquisitions have bolstered our expertise that can be leveraged in impact and socially responsible investing globally. In particular, JTC Americas solutions have been designed for fund managers focused on impact investing and we believe the development of these solutions will help improve capital allocation towards investment impact and compliance, particularly with our ICS Division clients. JTC America's solutions are closely integrated with Howard W. Buffett, President of Global Impact, professor at Columbia University and creator of the impact rate of return (iRR) algorithm. When combined with iRR reporting, JTC Americas services help organisations calculate how efficient their investments are in terms of accomplishing social, environmental and economic (including job creation) impact goals.

SOCIAL

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
Shared Ownership	The foundation of JTC's culture is 'Shared Ownership' which has been in place for over 20 years and is a key differentiator in attracting and retaining talent. Further details can be found on page 3. In 2019 the JTC Shared Ownership 'story' was made the subject of a Harvard Business School (HBS) case study: www.hbs.edu/faculty/Pages/item.aspx?num=56820
Employee Engagement **Recruitment** **Employee Communications** **Learning and Development** (JTC Academy) **Talent Mobility** (JTC Gateway) **Employee Wellness** (JTC Wellbeing)	We understand that our people are a fundamental source of differentiation and employee engagement is afforded the highest priority within the Group. Finding and attracting the best talent is managed through a structured approach to recruitment on a global basis through a strategic Human Resources team that is headquartered in Jersey, but has representatives in other JTC offices globally. This includes the dedicated role of Recruitment Manager. JTC conducts regular benchmarking of remuneration and benefits packages globally, in order to remain competitive within the markets where it operates. An overview of our approach can be found on the 'Careers' section of our website: www.jtcgroup.com/careers/ We use a wide variety of employee communication methods to share information about the business and the markets in which we operate. This includes communication of the Group's purpose, cultural values, commercial goals and strategies, performance updates and market news. JTC operates three specific global programmes as part of its wider employee engagement strategy and in support of both recruitment and retention goals. These are: – JTC Academy- our global learning and development programme https://www.jtcgroup.com/careers/jtc-academy/ – JTC Gateway- our global talent mobility programme https://www.jtcgroup.com/careers/jtc-gateway/ – JTC Wellbeing- our employee wellness (physical and mental good health) programme https://www.jtcgroup.com/about-us/jtc-supports/ With the exception of JTC Gateway, which remained impacted by pandemic travel restrictions, all of these strategies and programmes advanced and received further investment in 2021. Even as the impacts of the pandemic continued to influence working patterns and travel, our teams showed excellent flexibility and ingenuity in running our business, while finding novel ways to stay connected and engaged with each other and our culture.

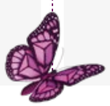
ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

SOCIAL CONTINUED

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
Employee turnover rate	Our employee turnover rate is one of eight key performance indicators (see page 27) used by the Board to measure the performance of the Group. We define staff turnover as the number of staff who leave each year that we did not want to leave and we target 10% or less per year. Staff turnover is important because we deliver a high touch service to clients over relationships that average 10 years. Maintaining continuity of staff helps to ensure that we are able to meet client needs over extended periods of time. Staff retention is also important for our meritocratic internal talent development programmes and succession planning. Staff turnover in 2021 was 9.3% (2020: 5.7%) and this figure is testament to the secure and engaging employment provided by the Group. It is challenging to find benchmarks for a global business of our type, but we believe that turnover rates in the region of 15 – 20% are more typical.
Human rights, diversity and equal opportunity	JTC has defined policies covering: – modern anti-slavery and human trafficking www.jtcgroup.com/modern-anti-slavery-and-human-trafficking-statement/; – equal opportunities www.jtcgroup.com/careers/equal-opportunities/ – dignity at work; and – social media (inappropriate use/content, business and personal).
Health and Safety	JTC has a defined Health and Safety Policy (and numerous related policies) that are detailed in the Employee Handbook and are introduced during a new employee's induction to the Group as well as being reviewed and revised on a regular basis.
Community Relations	We value and respect the communities in which we operate around the world and understand the support they provide to our employees, clients and intermediary partners. We seek to create a positive impact wherever we operate, creating opportunities for employment, and giving back through charitable donations of time, expertise and money (see pages 40 to 41). We further embraced this commitment to help local communities by purchasing validated carbon credits in support of a number of projects including tree planting in the UK and Kenya, renewable energy projects in Brazil and India, and wildlife conservation efforts in Cambodia.

GOVERNANCE

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
Data management and security	Data management and security is an essential component of our scalable global platform and we treat our responsibilities in this area with the utmost importance. Extensive details on our approach to data security can be found within our SASB disclosures on page 35.
Purpose, culture and ethics	JTC's purpose and culture are based on Shared Ownership and supported by eight defined 'Guiding Principles' that are intended to clearly define the Company's cultural values and in turn drive ethical behaviours throughout the organisation. Read more on page 3.
Board composition and effectiveness	Detail of our Board composition and effectiveness can be found on page 53 and 63. In addition, we publish information on our Board, including the Terms of Reference of the sub committees on our website: www.jtcgroup.com/investor-relations/corporate-governance
Stakeholder engagement	We engage on an ongoing basis with a wide range of stakeholders, including: clients, employees, investors, intermediaries, regulators, government bodies, industry associations and charities. Read more on pages 57 and 58.
Executive compensation	ESG matters are now explicitly included in Executive Director targets and compensation, further details of which can be found in the report of the Remuneration Committee on page 67. In addition to executive compensation, JTC's wider Shared Ownership culture and programmes are central to aligning the interests of our people with the interests of our stakeholders over the long term. Another of our KPIs (see page 26 is to ensure that 100% of permanent employees are owners of the business through these Shared Ownership programmes.
Succession	The Board's Executive Succession Plan is based on JTC's Shared Ownership culture and places particular emphasis on meritocratic succession from within the business.
Audit and risk, including ethics risk	Full details are provided in the report of the Audit & Risk Committee on pages 64 to 66 and the Risk Management section of the Strategic Report on pages 42 and 43.



ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

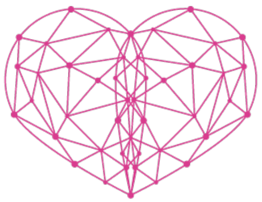
ESG timeline

1987

JTC is founded

1998

Nigel Le Quesne creates JTC Shared Ownership and establishes it with half of his own equity



2012

1st Shared Ownership award of £12m is made when a minority stake is sold to PE firm CBPE

2015

JTC Academy launched

2016

JTC Joogle – global employee intranet – is launched

2017

JTC Gateway launched, Stronger Together branding launch

2018

2nd Shared Ownership award of £14m is made when the Group lists on the London Stock Exchange

JTC Wellbeing launched

Advance to Buy (A2B) programme launched

2020

JTC acquires Indos Financial

2021

3rd Shared Ownership award of £20m is made when the business doubles in size since IPO

JTC reports under SASB for the first time

'Maximising Potential' – global educational charity support programme – is launched

JTC becomes a Carbon Neutral+ company

2022

As well as maintaining and enhancing our current ESG work, in 2022 and beyond we will focus on setting more Diversity, Equity and Inclusion (DEI) goals and defining a strategy and target date to achieve net zero.

Wendy Holley appointed JTC's first Chief Sustainability Officer

JTC reports under TCFD for the first time

JTC launches enhanced range of ESG Services

JTC SASB REPORT – PROFESSIONAL AND COMMERCIAL SERVICES

We have chosen to provide disclosures in line with the Professional & Commercial Services Standard issued by the Sustainability Accounting Standards Board (SASB). The information disclosed is to assist investors and other stakeholders in understanding the governance and management of the Group's environmental and social impacts arising from its activities as well as the ability to create value over the long term.

ACCOUNTING METRIC & CODE	CATEGORY	UNIT OF MEASURE	DISCLOSURE
DATA SECURITY			
Description of approach to identifying and addressing security risks Code: SV-PS-230a.1	DISCUSSION & ANALYSIS	N/A	At JTC, we understand the importance of all of our information assets as well as retaining the trust of our existing and future clients. To support the JTC vision, and help the business meet its objectives, we are proudly committed to building the protection of assets from the foundations up. We operate a variety of best-in-class systems to deliver and maintain an impeccable standard of administration and use technology to innovate in both service delivery and efficiency. Globally there are many different regulatory and compliance requirements as well as Information Security and Risk frameworks. Each one of them has its own set of requirements and/or recommendations. For JTC we have adopted the National Institute of Standards & Technology (NIST) Cyber Security Framework and aligned our Policies, Standards and Procedures to the 'Information Organisation of Standardisation' (ISO 27001) suite of Standards. By adopting both the NIST Framework and ISO 27001 Standards, we meet the regulatory and compliance requirements applicable to JTC and the expectations of clients and investors. Annually we are subject to various regulatory reviews and audits, including a NIST Assessment and an ISAE 3402 IT general controls testing and assurance audit. We have a dedicated Information Security Team. Our Group Information Security Officer leads the team and is responsible for defining and delivery of the Group's Information Security strategy and approach. The team hold a number of advanced industry recognised certifications and qualifications such as Certified Information Systems Security Professional (CISSP), Certified In Information Security Management (CISM), Certified in Risk and Information System Control (CRISC), Certified Information Systems Auditor (CISA), Certified Data Privacy Solution Engineer (CDPSE), ISO 27001 certified ISMS Lead Auditor (CIS LA) and ISO 27001 Certified ISMS Lead Implementer (CIS LI). JTC will always implement the necessary controls to protect all information assets from unauthorised access, assure the confidentiality of information and maintain its integrity.
Description of policies and practices relating to collection, usage, and retention of customer information Code: SV-PS-230a.2	DISCUSSION & ANALYSIS	N/A	JTC is fully committed to both the spirit and the letter of all of the data protection/data privacy frameworks that apply to it globally. As an award winning, market-leading provider of private and institutional client services, client confidentiality sits at the heart of our business. We build on this foundation with respect for all of our data subjects' statutory data protection and data privacy rights. We continually seek to enhance our data protection practices, with a key focus for 2022 being the formalisation of a data privacy controls framework which aligns with our enterprise risk management approach.
Number of data breaches Code: SV-PS-230a.3	QUANTITATIVE	NUMBER, PERCENTAGE (%)	No personal data breaches requiring formal notification to an Information Commissioner or a data subject were recorded for the period.
WORKPLACE DIVERSITY & ENGAGEMENT			
Percentage of gender and racial/ethnic group representation. Code: SV-PS-330a.1	QUANTITATIVE	NUMBER, PERCENTAGE (%)	Executive management (Group Holdings Board & Group Directors) – 17% female, 83% male All other employees – 58% female, 42% male U.S. employees – senior management 86% White, 14% Not Disclosed All U.S. employees – 57% White, 13% Hispanic, 11% Not Disclosed, 8% Asian, 5% Black, 5% Two or more races, 1% Native Hawaiian/Pacific Islander
Voluntary and involuntary turnover rate for employees. Code: SV-PS-330a.2	QUANTITATIVE	NUMBER, PERCENTAGE (%)	9.3% voluntary, 1.9% involuntary (* 2020 involuntary turnover was reported as 9% and should have been reported as 4.1%)
Employee engagement Code: SV-PS-330a.3	QUANTITATIVE	NUMBER, PERCENTAGE (%)	At present, we do not record data but plan to enable reporting in the near future.

JTC SASB REPORT – PROFESSIONAL AND COMMERCIAL SERVICES CONTINUED

ACCOUNTING METRIC & CODE	CATEGORY	UNIT OF MEASURE	DISCLOSURE
PROFESSIONAL INTEGRITY			
Description of approach to ensuring professional integrity Code: SV-PS-510a.1	DISCUSSION & ANALYSIS	N/A	The Group has a set of Guiding Principles and core value behaviours that are designed to establish the organisational cultural tone and set the standards we expect our employees to follow. These clear standards aim to support the Group's policy of ensuring that business is conducted in a manner that is consistent with our reputation and conducive to maintaining high standards of integrity in all our business dealings, whilst having the highest regard for the interests of our clients. The Guiding Principles include the Group's commitment to: – full compliance with all legal, regulatory, and other requirements wherever we operate, adopting best practice whenever possible; – maintaining monitoring and risk management systems and procedures for the effective control of our affairs; and – open and transparent dealings with our stakeholders including our clients and regulators. The principles are underpinned by Group Policies which set expected standards in a number of areas linked to professional integrity including Conduct Risk, Anti-Money Laundering, Countering of Terrorist Financing, Anti-Bribery and Corruption, Sanctions Compliance, Insider Trading, Conflicts of Interest and Whistleblowing. Adherence to these standards is periodically tested through the Group's 'three lines' model of assurance (read more on pages 42 and 43) and further supported by an employee compliance declaration exercise undertaken each year. On an annual basis, each employee's adherence to the Group's core value behaviours of accessibility, integrity, commercial awareness, personality, engagement and innovation are assessed as key contributory factors in the annual appraisal process. Over and above the internal organisational processes, the Group is currently regulated in 15 different jurisdictions. It is an accepted global practice for regulators to require those employees who take senior Board roles and responsibilities, either within the Group or on behalf of clients, to submit personal questionnaires or other confirmatory paperwork before assuming such positions. Regulators will then examine such applications and grant licenses only upon satisfaction of local and international checks and regulatory considerations of fitness, suitability, experience and proven integrity. As such, and in support of the integrity achieved through internal organisational processes, there is considerable and consistent external regulatory scrutiny of integrity conducted by experienced authorities, often utilising information gateways (e.g. to law enforcement) that would not typically be available to the Group.
Total amount of monetary losses as a result of legal proceedings associated with professional integrity Code: SV-PS-510.a.2	QUANTITATIVE	REPORTING CURRENCY	During the reporting period there were no monetary losses to the Group stemming from legal proceedings associated with lack of professional integrity or stemming from other environmental, social, or governance issues.
ACTIVITY METRICS			
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract Code: SV-PS-000.A	QUANTITATIVE	NUMBER	Full-time – 1,104 Part-time – 126 Temporary – 58 Contract – 14
Employee hours worked, percentage billable Code: SV-PS-000.B	QUANTITATIVE	NUMBER, PERCENTAGE (%)	For our fee earning employees, hours worked as % of contracted hours was 104%. Billable time as a % of contracted hours was 82%.

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

Task Force on Climate-Related Financial Disclosures

JTC is reporting for the first time under the Task Force on Climate-Related Financial Disclosures (TCFD) framework, as required under Listing Rule 9.8.6R (8) on a comply or explain basis. The framework enables market participants to disclose information that is material in respect of climate-related risks and opportunities so these considerations are integrated into business and investment decisions.

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities.

JTC's ESG framework, which incorporates climate risk, is governed and overseen by the Board of Directors, with operational responsibility sitting with the executive team and in particular the Chief Operating Officer. Post period end, JTC has enhanced Board level oversight of ESG risks by implementing the following changes:

- JTC has appointed Wendy Holley as the firm's Chief Sustainability Officer in addition to her Group Chief Operating Officer role.
- JTC appointed an additional Independent Non-Executive Director, Kate Beauchamp, see page 62.
- Post period end, JTC amended the Terms of Reference of each Board sub-committee's to incorporate relevant ESG (including climate risk) matters as part of their remit.
- The Audit & Risk Committee will be split into two committees, Audit Committee and Risk & Governance Committee, with the latter having a specific role in the oversight of ESG strategy and policies.
- Board members Mike Liston and Nigel Le Quesne have specific experience on climate-related matters. Mike served as CEO of Jersey Electricity PLC (1993 – 2008) and serves as a Non-Executive Director of Foresight European Solar GP Ltd and Foresight Solar & Infrastructure VCT PLC. Nigel also served as a Director with Foresight and is a partial owner of a solar farm.

Post period end, JTC established an ESG Forum, chaired by the CSO, whose remit includes climate-related risks and opportunities, including the development of JTC's range of ESG services for clients. The ESG Forum will periodically report findings, targets, and recommendations to the Board.

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.

Physical risks resulting from climate change (e.g. extreme weather) could impact our global offices and our clients. For short-term events, business continuity and disaster recovery plans are in place to ensure that work could be completed from a different location or remotely. Following the pandemic, work from home has become a more established practice, with a formal remote working policy in place. Globally dispersed teams are well positioned to take on work from another office if needed and permitted under the relevant regulatory licences. Medium-term events, such as changes to regulatory frameworks, carbon tariffs, and the possibility of stranded assets impacting revenue and profitability are potential impacts to consider. Long-term events including macroeconomic impacts on global GDP and shifts in population centres could potentially impact JTC and our clients' revenue and profitability as they link to the wider global economy. All these factors, as well as social impacts of climate change, are ones we consider to be relevant for a more detailed materiality assessment.

As the climate change regulatory environment matures, we understand the need to manage transition risk for our business and also recognise the service opportunities that exist to support our clients. JTC has made strategic acquisitions (INDOS, NESF) which have brought expertise and capabilities in servicing the growing areas of ESG advisory and impact and socially responsible investing globally.

We are ideally placed to become a highly credible component of our clients' value chains. In addition, our strength in providing expertise around complex regulatory and reporting frameworks means that we are able to offer ESG advisory and administration services to a broad range of clients from institutions to UHNWI and families. Please see page 32 for more details on how climate change opportunities are being factored into JTC's service offerings.

While we acknowledge that climate change scenario analysis is emerging as a practice to more precisely understand the impact of climate change, at present we have not undertaken such a review as we do not believe our business or the vast majority of our clients to be high risk.

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

In 2021, following the acquisition of INDOS, JTC undertook an exercise to become a Carbon Neutral organisation. This process allowed JTC to understand the current risk that environmental impacts have on our business and served as a starting point to understand the longer-term impacts of climate change on JTC and our client base. We believe a logical next step is to conduct a more in-depth materiality assessment and plan to do so in the medium term (2-3 years). While we don't believe JTC or the vast majority of our clients represent the businesses most at risk from climate change, we feel it is prudent to vet this assumption and acknowledge opportunities to partner with our clients as a trusted adviser on these matters.

JTC combines it's more than 3 decades of industry experience with in house ESG expertise to make informed decisions of which climate related risks are material to our business. We have spoken to informed expert stakeholders including institutional investors and completed an initial carbon assessment.

JTC has established processes for assessing, documenting, and managing business risks. We believe climate change is an emerging risk because there is an increased regulatory focus on the role financial institutions and listed companies in particular play in the path to net zero. As we conduct further materiality assessments and analysis, we will gain a deeper understanding of how these risks impact our business and our clients. While climate risk is captured in our risk framework, in the near term we have to balance this risk against our other material risks.

By the end of 2022, we will undertake an exercise to define timeframes to complete activities which may include setting net zero targets, conducting materiality assessments, etc. We will also look to define further relevant metrics and targets that capture external environmental and business-related climate risks.

As regulation and best practice continue to evolve, we consider it important to engage with our value chain (including investors, clients and suppliers) and stay informed on emerging best practice. As such, we are evaluating our participation in industry forums and pledges including CDP, UNPRI, and similar.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

JTC recognises that our business operations globally have an impact on the earth's climate. In 2021, JTC took steps to become a Carbon Neutral+ organisation by conducting a carbon audit of scope 1, 2, and 3 emissions from 2020 and 2021 (post period end). To offset emissions, JTC invested in a number of validated projects. Based on two years of data, we have seen improved performance on metrics we believe sensible for a people based professional services business. As of yet we have not set reduction targets as recent exceptional circumstances (travel restrictions) have impacted our baseline for travel.

2021	
Total CO_2 emissions	1,572.67 tonnes
Scope 1	451.45 tonnes
Scope 2	461.32 tonnes
Scope 3	659.90 tonnes
tCO_2e per employee	1.28
tCO_2e per £1m revenue	10.66
2020	
Total CO_2 emissions	1,459.14 tonnes
Scope 1	440.94 tonnes
Scope 2	473.49 tonnes
Scope 3	544.71 tonnes
tCO_2e per employee	1.67
tCO_2e per £1m revenue	12.68

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

JTC Academy

Developing our people and maximising their potential

JTC Academy, launched in 2015, provides a structured development programme which gives access to materials and training tailored to job roles, performance, ambitions and potential.

The Academy has continued to expand the range and quantity of training opportunities as the Group increases in size.

In total, over 2,500 industry-leading learning materials including, systems, leadership and personal effectiveness topics were made available for employees to access in 16 languages.

Subject categories include the following:

- Risk & Compliance (mandatory for all employees).
- Data & Cyber Security (mandatory for all employees).
- Business Skills.
- Health and Wellness.
- Leadership and Management.
- Office productivity.
- Personal development.
- Sales and client service.
- Technology (full catalogue of Microsoft product training).
- JTC curated content.

Over the last 12 months, the Learning and Development team have provided a range of leadership and management education programmes (all designed in-house) as well as a comprehensive calendar of technical and non-technical training sessions delivered across all global jurisdictions.

Training delivery highlights for 2021 include the following:

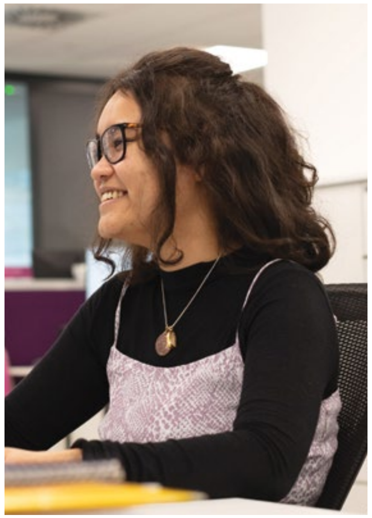
- Managing the JTC Way – 62 delegates in 2021, with a further 120 due to start in 2022. This has followed a revised programme schedule to accommodate a much larger pool of eligible delegates.
- Step up to Management – delivered to 28 delegates in 2021, a further 65 due to start in 2022.
- LION Foundation: 60 Directors completing in 2021, with a further 65 to start in 2022.
- A full range of training sessions for employees across the business were delivered in 2021 supporting the roll-out of the new 'People@JTC' system. This included:
  - over 650 employees attending the 'Getting to Know the System' training sessions;
  - over 800 employees attending performance management training sessions detailing the revised performance review and goal setting processes.
- JTC has also become qualified as a 'Mental Health First Aid' capable organisation with 1:1 interviews to over 50 'Mental Health First Aid' candidates conducted. This knowledge is now being integrated into Managing the JTC Way as a standalone module to make it a 'requirement' for all managers at JTC.
- A continuing scheduled delivery of CPD based sessions has been managed by the Academy team throughout 2021.

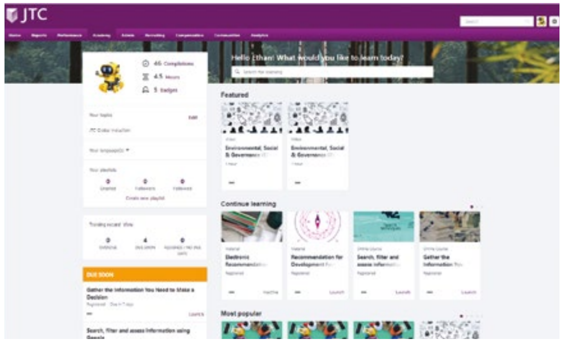
ACADEMY LEADS THE 'PEOPLE@JTC PROJECT':

- The JTC Academy team have programme-managed the implementation of a comprehensive replacement of existing HR systems with one overall, enterprise HR solution branded People@JTC.
- The project involved over four months of configuration and 12 months of overall implementation across all modules, which included learning, performance, core HR, recruitment & on-boarding, compensation, talent & succession and absence management.

JTC ACADEMY INDUCTION:

- In 2021 the standard Group induction was re-designed to be able to span all global locations in their local time zones.
- All new joiners now receive a comprehensive induction plan – automatically communicated and assigned to them from their start date.
- The 'Welcome to JTC' curriculum provides a consistent induction for all new joiners across the group with over 30 hours of content and live sessions provided via 'Welcome to JTC' curriculum. This includes self-service session bookings and resources. This has been developed based on employee feedback throughout the year.
- All activity is now trackable ensuring adherence to policy requirements.





Virtual Internship

Another 'first' for JTC was the hiring of a 'virtual intern' in partnership with registered social mobility charity Career Ready Scotland, whose vision is that every young person progresses to a positive post-school destination and is able to prosper in the world of work, regardless of their background.

As a result of pandemic restrictions, the four week summer work placement focus with our Edinburgh team had to be done virtually. This provided a local student with an engaging experience involving exposure to multiple contacts and teams within the business, as well as a chance to work on the skills they will need when looking for and starting a permanent job. JTC has now committed to taking on placements from two such local schools in 2022.

career ready
preparing young people for the world of work

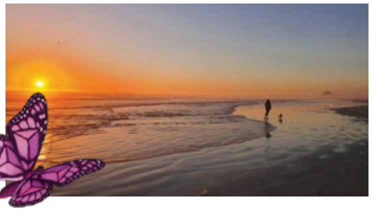
ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

JTC Gateway

International experience to increase capabilities

JTC Gateway offers our people the opportunity to develop their careers by working in Group locations around the world in support of their personal and professional growth, all while attracting and retaining talent. And despite the ongoing global pandemic, three employees from various locations made permanent moves, including Graham Sleep (Director – Fund Services), who moved from the Cape Town office to join the Guernsey team.

"I think that the international experience that Gateway offers is incredibly important to the business for a number of reasons – the most important of which is the retention of skilled and knowledgeable employees within the Group. Each of the jurisdictional offices offer their own opportunities to employees, but sometimes people want to move either locally or internationally and Gateway offers an opportunity to do exactly that."



"This is a picture of my wife and our young French Bulldog on our last walk on our favourite beach in Cape Town before emigrating to Guernsey."

GRAHAM SLEEP

JTC Wellbeing

Developing our people and maximising their potential

JTC stands by its long-term commitment to wellbeing, especially during the pandemic in which our people continued to show their resilience whilst remaining productive, focused and connected in their roles. With the lifting of in-country government restrictions across the year, the Group recognised the importance of flexibility in where our people work, and subsequently introduced a Remote Working Policy across JTC which gave everyone the opportunity to continue working from home for up to two days a week.

Employee Assistance Programme

JTC continues to partner with Employee Assistance Programme providers around the globe to support our people who are transitioning back to the office, or may have questions about managing health and other issues, and balancing working from home. Services are available to all JTC employees, so any questions or worries can be answered confidentially by experts, 24/7, 365 days a year.

JTC Mental Health First Aiders

In April 2021, JTC launched a 'Mental Health First Aiders' initiative to all the offices across the Group, which is an accredited training scheme, for chosen volunteers, creating champions or 'go to people' on issues related to mental health. Selected employees have subsequently undergone dedicated training with Mind UK. The two day course teaches them how to identify, understand and help others who may be developing a mental health issue by learning how to spot the signs and symptoms of mental ill health and how to provide help on a first aid basis.

Wellness Week

To help advocate the importance of mental health wellbeing throughout the year, we continued to regularly promote and publish focused articles on mental health on Joogle, our Company-wide intranet, and hosted a Wellness Week in October. Across the five days, we featured different ways to improve our people's wellbeing on a daily basis, whether that be through the power of conversation, a brisk walk or simply showing kindness to others. For all our offices, virtual yoga sessions were offered through the power of Zoom and healthy vitamin packed juices were provided to everyone on 'Fruit Friday' to promote the benefits of a balanced and healthy diet.

Above: Fresh air and puppy love for Wellness Week.

Left: South Dakota showing it's all about balance. Below: Pedal power in Miami!

JTC Active

Additionally, under our JTC Active banner, we undertook a number of healthy employee initiatives that also benefitted charities. For example, JTC's second annual triathlon saw 30 people tackle a 1,500m swim, a 40km bike ride and a 10km run from across our global team, including the Jersey, Netherlands, South Africa and San Jose offices. The entrance fee for all triathletes was donated directly to the World Wildlife Foundation and its specific programme centred on the protection of orangutan populations.

Another Wellbeing activity that took place in 2021 was the 'Walk All Over Cancer' challenge, where nearly 100 employees from all over JTC committed to walking 10,000 steps a day each for the entire month and together raised £2,825 for Cancer Research UK.

By highlighting achievements and gathering together virtually or in person, we all shared in the collective success of promoting and encouraging overall wellbeing, healthy living and positive mental health internally and externally in our communities.

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

"It is thanks to the strength and skill of our workforce that we truly are stronger together, and it is wonderful to be able to recognise the hard work of so many of our talented colleagues around the world. Their accomplishments, underpinned by our dedication to targeted learning via the JTC Academy, allows us to offer the very best to our global clients."

WENDY HOLLEY – CHIEF OPERATING OFFICER

Social media celebration of our latest round of internal promotions across the globe.

PROMOTIONS ACROSS THE GLOBE

Two of JTC's Guiding Principles are meritocracy and maximising individual potential, and our bi-annual promotion cycles are a clear sign that people have the opportunity to benefit from both.

In 2021, we saw 188 of our people promoted in their roles, covering all levels of seniority, from Administrator to Managing Director, and these appointments were made in recognition of individual performance, commitment to structured professional development and contribution to JTC's ongoing growth.

The promotions also spanned teams across JTC's Institutional, Private Client and Group Operations, including Corporate Services, Employer Solutions, Fund Services, Human Resources, Business Development & Marketing, Private Office, Regulation, Risk & Compliance, Finance, Tax and Treasury.

EMPLOYEE COMMUNICATIONS

With over 1,300 employees and a Group Communications team consistently touching base with over 30 offices, it's no surprise that we've got lots of things to talk about and share with our global team. Whether it's an important PLC update from the CEO, to a spotlight on local charity work being undertaken, or the latest divisional product offering or thought leadership piece, all JTC news matters.

JOOGLE

In 2021, we published a total of 338 stories on our relaunched intranet, Joogle, which underwent a significant and impressive refresh in terms of aesthetics and functionality. Importantly for new employees being integrated into the business from acquisition activity, because Joogle was developed on a cloud based platform, this meant that it could be safely and securely accessed on mobile devices.

Employees also stay connected by receiving a weekly summary email called Joogle Week That Was, which recaps the latest important Joogle stories.

To further help ensure that each of our 30 offices remain connected, the JTC Comms Champions forum, made up from volunteer representatives of all levels from each jurisdiction, continued to meet on a monthly basis to discuss the latest Company-wide news and provide on the ground feedback in relation to Group activity. In 2021, we also welcomed guest speakers from senior leadership (including CEO Nigel Le Quesne and Carol Graham, Group Director – Human Resources) who participated in lively and enlightening discussions.

Our 'CEO Birthday Breakfast' events carried on in Jersey and, as a direct result of our Comms Champions feedback, we have now confirmed that we will be running global town hall events in 2022, where employees will hear directly from Board members on our progress related to JTC's strategic objectives and learn more about key operational initiatives as well as having the opportunity to submit questions for the senior leadership team to address.

#JTCSUPPORTS

MAXIMISING POTENTIAL

In September 2021, JTC launched its first global employee-led educational charity fundraising initiative known as 'Maximising Potential', which benefited a global range of educational charities.

We chose to focus on education because, over the last few years, our analysis showed that children were the most employee championed category for charitable donations from the JTC Supports budget. Taking this into consideration, and with statistics from the United Nations showing that there are an estimated 617 million children and adolescents around the world who are unable to reach minimum proficiency levels in reading and mathematics as a result of Covid-19, this represented an opportunity for all of us to make a difference in a key area.

As a result of the 'Maximising Potential' initiative, over £86,000 was shared across charities chosen by the JTC office network spanning more than 20 jurisdictions. The donations were used to support specific regional initiatives and projects undertaken by the educational charities, which were selected by the employees in those locations.

The total was reached through the combination of an original donation by JTC and employee fundraising, which was then matched through the firm's corporate matching scheme.

Left: Some of the Edinburgh team volunteer with their 2021 Maximising Potential charity "With Kids", which provides play therapy to children dealing with trauma.
Right: Employees in Edinburgh and Jersey pedal for charity.

More than 1,000 JTC people from around the world helped support the fundraising drive through local in-person and virtual activities including running in -2°C weather, 'jailing' a Director (and the only way out was to call friends and family for donations), promoting sustainability by selling pre-loved clothes, virtual bingo fundraisers, bake offs and more!

In addition to Maximising Potential, a number of other JTC charitable and community events took place throughout the year, including the Isle of Man's volunteer day to paint and preserve the historic Peel Castle, a football tournament to benefit Cardiac Arrest in the Young, and the Cape Town CSR Ubuntu ('humanity') Committee's beach clean-up day.

JTC SUPPORTS – CHARITABLE GIVING

At the heart of JTC's success is the Shared Ownership ethos, dedication, commitment and energy of the entire JTC team across the globe. Not only do we have the most talented and hard-working employees, but they are also the most generous in terms of volunteering their time to support fundraising activities and make a difference to their local communities.

After a year of continued uncertainty, it remained ever important that as a company we stand stronger together and engender the JTC spirit of helping and giving back to our local communities. In 2021, we donated and fundraised over £187,000 through the charitable and employee engagement activities under our JTC Supports and JTC Active brand banners.

ENVIRONMENTAL SOCIAL GOVERNANCE CONTINUED

PAYROLL GIVING

Launched in 2020 for employees in participating jurisdictions who wished to automatically donate directly from their salaries to a qualified charity, JTC pledged to match up to 50% of their donations.

At the end of 2021, nearly £10,000 was donated to 20 different charities across the BVI, Cayman, Guernsey, Jersey, Switzerland, IOM and UK.

CELEBRATING INTERNATIONAL ORANGUTAN DAY

In 2021, JTC created a butterfly orangutan to add to our brand imagery symbolising the importance of ESG matters with our unwavering commitment to fulfil JTC's purpose-driven responsibilities to our people and our stakeholders.

The orangutan is a visual reminder as to how we can all be more Responsible Together by becoming a force for good and change to promote a sustainable future.

To mark International Orangutan Day on 19 August, and as a long-term corporate supporter of the Durrell Wildlife Conservation Trust, we conducted a video interview with Gordon Hunt, Deputy Head of Mammals at the Jersey Zoo, which is the base for the international conservation projects continued by the Trust. From this interview we ran a series of videos and articles for employees highlighting just how endangered this species is and how we can all make a difference with a reduced use of palm oil products.

A JTC Supports donation was also made to help with Durrell's mission of 'saving species from extinction'.

2021 SEASON'S GREETINGS CHARITY OF CHOICE

One of our big seasonal traditions at JTC is to pick a charity to support by way of a donation being made in lieu of printed and posted client Christmas cards. In October, we launched an employee poll on Joogle for everyone to cast their vote for one of four charities (focused on children or environmental concerns) to receive the money.

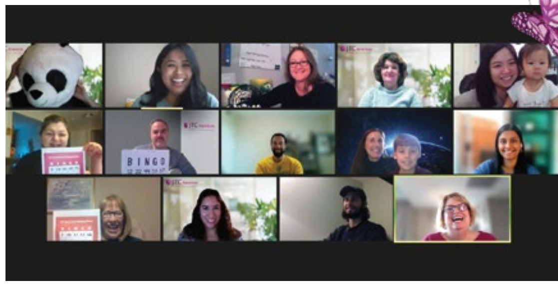
Our global team chose to support the Durrell Wildlife Conservation Trust, which was announced in our 2021 Christmas card video featuring employees from each jurisdiction. By voting for Durrell, our £5,000 donation will be used to plant 1,000 trees in one of the richest and most biodiverse ecosystems on the planet – the Atlantic Rainforest in Brazil – creating a healthier world for people and wildlife.

Above: Tree planting in support of the Durrell Wildlife Conservation Trust.

Left: Our new JTC butterfly orangutan, designed to symbolise our commitment to protecting the environment.

> **"What can I say? What a brilliant idea. There was a lovely buzz on the floor, over something so simple as a surprise ice cream!"**
>
> **LINDA GARNIER – SENIOR DIRECTOR – PCS**

Clockwise from below: the London team get together for an Escape Room challenge, Boston and San Jose virtual bingo fundraiser, Jersey employees enjoy a treat on International Ice Cream Day.



SOCIAL

For many on our global team of 1,300+, working from home was a different experience than being in the office together, so when certain jurisdictions were allowed to reopen, teams happily and safely joined in the fun together celebrating through various Company-wide social activities. For jurisdictions that were still working from home, they were able to participate in festivities including: virtual musical bingo, quiz events, pizza parties and all things #FestiveTogether, JTC's month-long holiday celebration complete with activities for employees, their families, and charitable giving such as food drives throughout December. There were holiday parties for employees who were able to join live, and hampers for those who were unable to attend in person.

One of the more popular social events was enjoying International Ice Cream Day, which took place across the Group in July. Whether it was ice cream delivered to offices or a traditional ice-cream van parking up outside the office for a visit or through gift cards sent to those jurisdictions unable to participate in person, every employee was able to enjoy a sweet treat to mark the summer season.

RISK MANAGEMENT

Resilience and vigilance
Fit for purpose and fit for growth

From left to right: George Kellogg III, Sarah Kittleson, Tina Leslie and Richard Ingle.

Richard Ingle
Chief Risk Officer

AN EVER CHANGING ENVIRONMENT

As a leading global provider of fund, corporate and trust administration services in a highly regulated sector, JTC places significant importance on the application of effective and strong risk management and compliance standards and practices. This includes a comprehensive understanding of the risks faced by the business.

In 2021, the Group continued to grow organically and inorganically within an external environment that continued to contend with, among things, the ongoing repercussions of a global pandemic, ongoing and increasing regulatory scrutiny and change, workplace and employment changes and an increasingly sophisticated technological landscape. In such an environment, there is no room for complacency, but a need for vigilance, resilience and an ongoing goal to be both fit for purpose and fit for growth. We therefore continue to advance our approach to risk management and regulatory compliance.

"As a leading global provider of professional services in a highly regulated sector, we place significant importance on the application of effective and strong risk management and compliance standards and practices."

The Group promotes a strong risk awareness culture, set from the very top of the organisation and with risk ownership clearly assigned. We manage risk in a consistent manner, aligned with the Board's stated risk appetite and ensuring compliance to all applicable rules and regulations. Our risk framework enables the business to protect value, helping us identify opportunities and minimise threats to achieving our strategic and operational objectives.

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

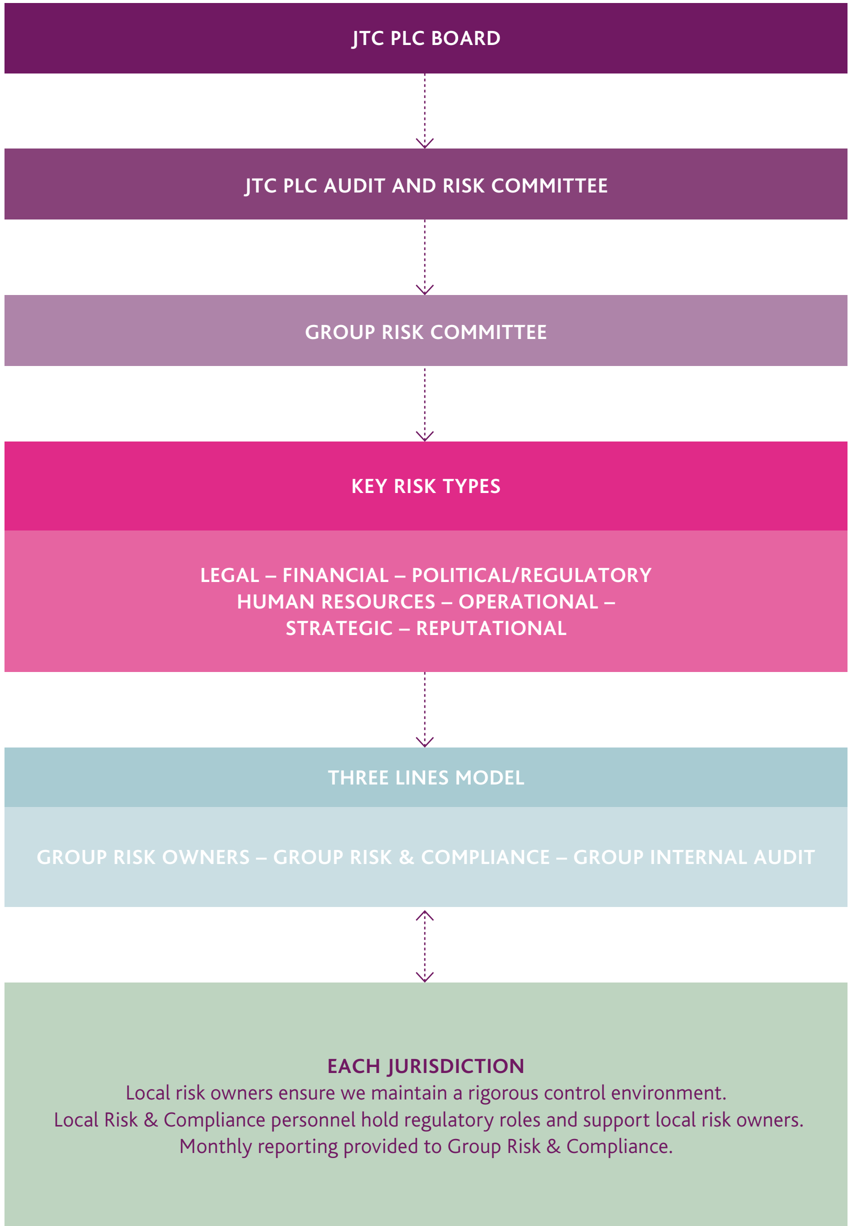
- identify and manage risk
- monitor and report on the effectiveness of risk controls
- support the resolution of risk and regulatory challenges
- advise on regulation and controls
- manage regulatory relationships.

The Board has overall responsibility for setting JTC's risk appetite, and ensuring we identify any risks that could affect the Group's corporate strategies, and that we manage them effectively. The Board delegates the oversight of the risk and control environment to the Audit and Risk Committee, which consists of four Non-Executive Directors. The Chief Risk Officer has a standing invitation to attend all meetings.

The Group-wide risk management framework is designed to be commensurate with JTC's evolving structure, risk profile, complexity, activities and size. We adopt an industry-standard, three lines model, the main features of which are as follows:

- The Board and senior management sit above the three lines and have collective responsibility for setting organisational objectives, defining strategies to achieve them and establishing the necessary governance risk management and control frameworks to manage the risks and their achievement.
- Our first line, our employees, have a responsibility to manage day-to-day risk in their own areas, guided by Group policies, procedures and control frameworks. Local management, and ultimately the Board, ensure risks are managed, maintained, reviewed, escalated and actioned.
- The second line is the Risk and Compliance function. Its role is to help to build, monitor and support the activities of the first line. Group companies maintain key regulatory and compliance personnel (for example, Compliance Officers, Money Laundering Reporting Officers and Money Laundering Compliance Officers) in accordance with local regulatory requirements.
- The third line is Internal Audit ("IA"), which is responsible for providing independent assurance on the effectiveness of governance, risk management and control over current, systemic and evolving risks. This is further supported by the testing of key controls through the formal external audit programme, and regular external visits and regulatory inspections across the Group's regulated businesses.
- The Legal function provides support to all areas of the Group and is not formally part of any of the three lines.

RISK MANAGEMENT CONTINUED



The Group Risk Committee comprises the Chief Risk Officer, Group Chief Executive, Chief General Counsel and Group Director – Risk & Compliance, with the Group MD or Group Deputy MD attending by invitation. This Committee maintains responsibility for considering the risk types that may affect the Group including, but not limited to, strategic risk, operational risk, regulatory risk, legal risk, human resources risk, technology risk (including data security risk), client risk, fiduciary risk and performance risk.

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

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

KEY CONTROLS

We have a number of key controls in place to ensure we monitor and manage all elements of our business activities, including fiduciary risks. 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, protections and penetration testing
- a strong IT platform and business continuity arrangements
- a rigorous human resource screening and on-boarding process
- experienced and professionally qualified employees
- regular risk and compliance updates.

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

NOTABLE DEVELOPMENTS IN 2021

Risk appetite review: During the year, and to assist with continued organisational alignment, the Board examined its approach to risk appetite and further evolved the articulation of its appetite to risk aligned to the Group's key risk areas. While not altering its overall appetite to risk, the updated Group Risk Appetite Statement continued to recognise that the Group operates in markets with good growth potential, and it is open to pursue ambitious growth targets and is willing to accept certain levels of risk to achieve strategic objectives, subject to relevant risk parameters. However, the Board's appetite for risk varies depending on the risk type.

Risk ownership: Another feature of 2021 was to validate and confirm risk ownership throughout the organisation. Each Group risk type is assigned an owner and the three lines model is subject to ongoing re-examination to ensure we deploy resources effectively across the organisation in managing risk and providing expertise and assurance for the effective application of controls and mitigating measures. We support this further through rigorous training and a 'balanced scorecard' approach to performance measurement that ensures an employee's approach to risk is considered alongside other performance metrics.

Internal Audit: We highlighted last year the bolstering of our three-lines model by establishing an Internal Audit function. Group Internal Audit provides further assurance on the effectiveness of governance, risk management and internal controls, including first and second line controls. Internal Audit is independent of management and has a direct reporting line to the Audit and Risk Committee. The function provides independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. It has developed during 2021 and has provided valuable assurance to several parts of the Group's business. We expect the function to continue to grow and develop.

Investing in our People: During the year we made further investments in our people, both through the expansion of the risk and compliance function across the Group and also in the form of increased investment in relevant risk and compliance training for all JTC employees.

RISK TYPES

PRINCIPAL RISKS

JTC operates a Risk Register that aims to categorise its risks across six key (Level 1) risk types and 18 (Level 2) sub-risks. In reviewing these categories of risk, we have identified what we believe are the principal risks.

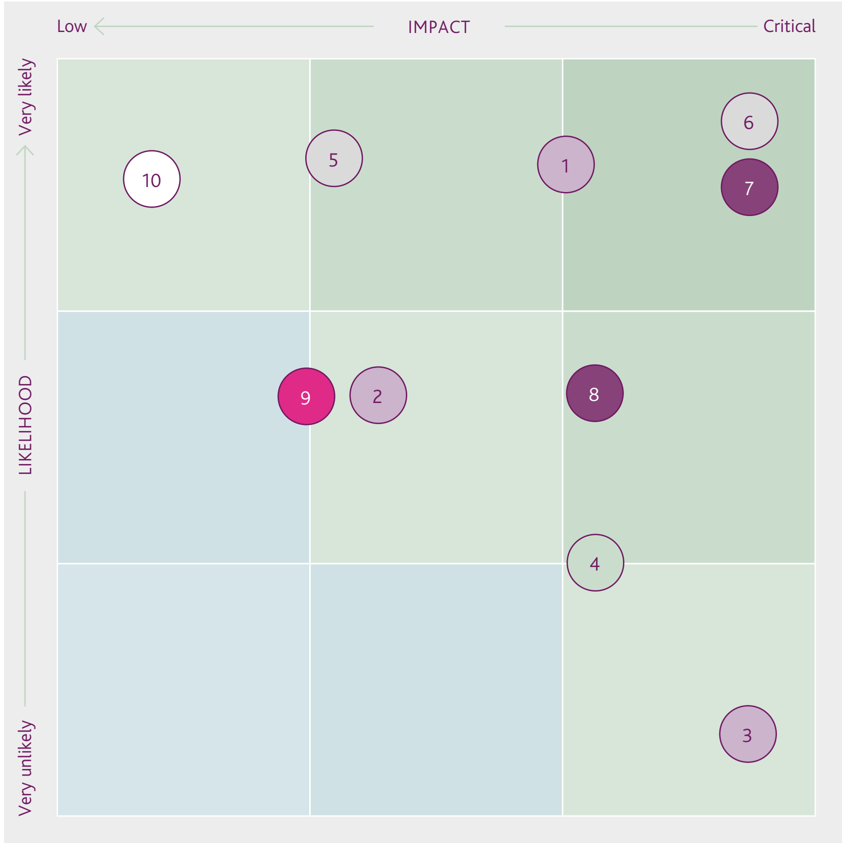
A principal risk is a risk or combination of risks we have assessed as having the capacity to seriously affect the performance, future prospects or reputation of the Group. These will include risks we consider could threaten our business model, future performance, solvency or liquidity.

In addition, as part of our horizon-scanning activities we also identify risks that are not yet considered to be principal risks, but we identify as emerging risks – those that may, in time, pose a threat to the Group's business model. We have outlined these at the end of the section, and they include employee wellbeing, third-party data compromise and the emerging global threat of climate change.

The Group's principal risks are periodically re-examined and reported by the Chief Risk Officer to the Audit and Risk Committee with an assessment on (i) their impact if they were to occur and (ii) the likelihood of occurrence, together with a description of the controls and mitigation in place to manage those controls and any actions deemed necessary by the risk owner to further reduce the assessed residual risk.

LEVEL 1	LEVEL 2	
Primary, overarching risk elements, containing SIX components	Represents the cohorts of specific risks JTC is exposed to	Principal risk
1. STRATEGIC	Acquisition	✓
	Competitor and client demand	✓
	Strategy	✓
2. FINANCIAL	Performance of business	✓
	Earnings (fx)	
	Impairment	
	Financing	
3. OPERATIONAL	Client & process	✓
	Business continuity	
	Data security	✓
4. POLITICAL / REGULATORY	Listing rules	
	Political / regulation	✓
	Financial crime	✓
5. LEGAL	Litigation / contractual	
	Fiduciary	✓
6. HUMAN RESOURCES	Adequate resources	✓
	Retention	
	Key person	

RISK HEAT MAP



Our principal risks are reported gross (before mitigating controls)

STRATEGIC RISK
1 Acquisition
2 Competitor & Client demand
3 Strategy

OPERATIONAL RISK
5 Client & Process
6 Data Security

LEGAL RISK
9 Fiduciary

FINANCIAL
4 Performance of Business

POLITICAL & REGULATORY RISK
7 Political Regulation
8 Financial Crime

HUMAN RESOURCES RISK
10 Adequate Resources

PRINCIPAL RISKS

The Group's current principal risks are the risks we are managing now that could stop us achieving our strategic objectives:




	PRINCIPAL RISK (RISK OWNER)	POTENTIAL CAUSES	KEY MITIGATION MEASURES	TIMESCALE
1	**ACQUISITION RISK** **(Group Chief Executive Officer)** The risk that acquisitions do not achieve intended objectives, give rise to ongoing or previously unidentified liabilities, disrupt operations and divert senior management time and attention. During 2021 JTC continued with its inorganic growth in line with business strategy, acquiring seven businesses of varying scope and scale.	– Inadequate due diligence – Economic misjudgement – Lack of strategic clarity – Ineffective or delayed integration – Unpredicted changes to external environment	– Strict due-diligence process, including JTC subject-matter experts and third-party assessments by experienced external advisors – Appropriate scrutiny and challenge from Group Development Committee, Group Holdings Board and Non-Executive Directors – Established and tested integration strategy agreed prior to acquisition with robust post-acquisition governance – Experienced management team – Shared ownership to align interests and deferred consideration – Insurance run-off cover – Vendor representations and warranties (backed by insurance where appropriate)	This risk will diminish over time as each acquisition is integrated, but the volume of current integrations causes this risk category to remain as a principal risk.
2	**COMPETITOR AND CLIENT DEMAND RISK** **(Group Chief Executive Officer)** The risk of failing to anticipate client demand or to innovate in line with key competitors, or advancing technology or regulatory/political change may lead to significant loss of potential or existing business. JTC operates in a competitive and fast-paced global market requiring a responsive approach to client demand and behaviour, competitor activity, innovation, economic and regulatory changes and geopolitical events.	– 'Black swan' events (e.g. pandemic) – Competitor actions – Political trends – Economic conditions – Market conditions – Regulatory changes – Technological changes	– Chief Commercial Officer appointed to Group Holdings Board – Group Holdings Board responsibility for identifying forthcoming requirements in respect of digital and business systems investment and continually considering emerging threats due to market conditions, taking mitigating action as appropriate – Group Holdings Board responsibility for identifying and prioritising product innovation – Commercial Enterprise Forum to assess, prioritise, de-risk and commercialise opportunities	This risk is largely influenced by external factors and is therefore likely to remain a continuous principal risk
3	**STRATEGY RISK** **(Group Chief Executive Officer)** The risk that inadequate strategic decisions or failure to execute the set strategy has a detrimental impact on Group operations, clients and market confidence. Alternatively, the Group's strategy brings excessive risks to the business or does not sufficiently align to changing market conditions or client requirements, such that sustainable growth, market share or profitability is affected. The Group continues to pursue its strategy of organic and inorganic growth with a particular focus on building our presence in the United States, Ireland, Luxembourg and the UK.	– Operation outside of risk appetite – Product or service failure – Senior management or leadership changes – Legal or regulatory challenges – Lack of understanding of a new jurisdiction	– Overarching strategy is set every three to five years and progress is periodically re-examined – Strategy regularly reviewed and challenged by Board and, as a listed entity, subject to investor and third-party scrutiny – Strategy drives annual business planning process and performance-based targets – Risk-taking and aversion in pursuit of strategic objectives is balanced through the setting and overseeing of the Group Risk Appetite	Strategic risk is an ongoing risk for any business and therefore is likely to remain as a continuous principal risk.

PRINCIPAL RISKS CONTINUED

	PRINCIPAL RISK (RISK OWNER)	POTENTIAL CAUSES	KEY MITIGATION MEASURES	TIMESCALE
4	**PERFORMANCE OF BUSINESS RISK** **(Group Chief Executive Officer)** The risk that the Group does not meet its financial forecasts or does not achieve the provided market guidance. JTC is listed on the London Stock Exchange and subject to market consensus expectations that can influence shareholder value.	– Inadequate budgeting and forecasting – Unpredicted costs or losses – Lack of information provided to brokers and analysts	– Budgets set annually and agreed with Divisional Heads, Jurisdictional Managing Directors and P&L account owners – Monthly reporting and KPIs that help monitor performance against performance assumptions and targets. Active review by Group Holdings Board together with PLC Board – CEO and CFO regular engagement with analysts to inform external market guidance – Insurance cover for losses	Business performance risk is an ongoing risk for a business, especially for a quoted business. This risk is therefore likely to remain as a continuous principal risk.
5	**CLIENT AND PROCESS RISK** **(Group Divisional Heads)** The risk of the Group taking on the wrong type of clients, or the Group or the client's actions during the client life-cycle leads to losses, failed strategic objectives, reputational damage, poor customer service and employee frustration and potentially regulatory censure. The risk of failing to clearly define service provision or fulfil a role expertly. The risk that lack of relevant process or incorrect, inconsistent, or untimely execution of processes or internal change leads to a material operational error and the consequential adverse impact.	– Failure to apply policies and follow procedures – Failure to follow codes of conduct – Failure of managerial oversight – Failure to adequately train and develop employees – Failure to identify and remediate identified issues promptly – Inadequate policies and procedures	– Strict adherence to policy and procedures including business acceptance and periodic reviews, with appropriate escalation for higher-risk clients – Established Terms of Business, template customer agreements and Legal review of tailored agreements – Regular staff training and awareness initiatives – Established reporting and escalation process with review by boards and committees as appropriate – Independent client and Compliance monitoring review programme – Promoting a robust risk and compliance culture across the Group – Ensuring quality administration and compliance resource in each jurisdiction plus internal legal counsel support as appropriate – Well established Recommendation for Signing process – Three-lines model for assurance and controls including Internal Audit ("IA") – Well understood and defined Risk Escalation processes – Accessible policy and procedure framework	Client and process risk remains a continuous principal risk for the business.
6	**DATA SECURITY RISK** **(Group Chief Information Officer)** The risk of a security breach including cyber-attacks by destructive forces from both internal and external sources, leading to loss of confidentiality and integrity of data. The sophistication of cyber threats is constantly evolving; criminals will seek to exploit changes in working environments e.g. remote-working practices. A substantial cyber event could be detrimental to JTC's clients as well as erode market and regulator confidence.	– Unauthorised data transfer – Malware – Financial theft – Denial-of-service attacks – Cyber phishing attacks – Network service failures – Employee error – Malicious employee intent – Security breach of client data or systems	– Defined and audited IT procedures – External security assessment conducted annually – System access controls including least privilege access model – Dedicated Senior IT Security Manager and Team – Training including compulsory online Security Awareness courses for all employees – Alignment to industry security standards – Review of data security procedures and controls as part of the annual ISAE 3402 Report – Access to group systems and data is granted on a need-to-know basis and least privileged – Industry-leading solutions for end-point management, anti-virus, data loss prevention, Privilege Access Management and secure email communications	Data security risk remains a continuous principal risk for the business.

PRINCIPAL RISKS CONTINUED

	PRINCIPAL RISK (RISK OWNER)	POTENTIAL CAUSES	KEY MITIGATION MEASURES	TIMESCALE
7	**POLITICAL / REGULATION RISK** **(Group Chief Executive Officer)** The risk that the JTC business operating model is adversely affected by political or regulatory changes which affect the markets or services we offer together with our client base. Risk of exposure to regulatory sanction and subsequent reputational damage given a failure to follow regulatory laws, orders and codes of practice requirements. As the regulatory environment continues to develop, we expect a continuing global trend of increased regulatory scrutiny and intervention for all regulated businesses including trustee, fund and corporate service providers. The Group is well positioned to comply with relevant requirements and to be able to operate in this changing regulatory environment.	– Geopolitical uncertainty – Regional or global standards or requirements with disproportionate impact – Political reaction to wide-scale data leaks and associated negative press coverage – Balancing increased transparency requirements with increased data protection legislation – Challenge and cost of measuring, monitoring and demonstrating good conduct as well as meeting new requirements – Keeping pace with rapid regulatory change and reporting requirements	– Specialist risk and compliance staff with the skills needed to monitor and report on strategic outlook and the impact of change – Review by appropriate boards and committees, and scanning of horizon for potential changes – Comprehensive policies, procedures and processes in operation within the Group that align to the appropriate regulatory regimes. – Embed (and continue to promote) a robust risk and compliance culture across the Group from PLC Board down through the organisation. – Ensuring appropriate compliance resource in each jurisdiction – Compliance monitoring programme in place – Training employees to be aware of changing regulations – Involvement with trade associations and government bodies to understand direction and influence outcome	Political and regulation risk is expected to remain a continuous principal risk for the business.
8	**FINANCIAL CRIME RISK** **(Group Divisional Heads)** The risk of the Group operating inadequate systems, procedures and controls that fail to prevent the administration of client structures that are exposed to financial crime. (NOTE: Financial Crime Risk includes money laundering, terrorist financing, sanctions, fraud, bribery and corruption, and tax evasion risks). This is an area where there is intense regulatory attention and scrutiny. The Group is committed to the highest standards of ethical behaviour and operates in a manner designed to deter and prevent financial crime risk. There is focused oversight and monitoring of financial crime risks, and adherence to both internal financial crime policies and regulatory obligations.	– Poor culture – Inadequate awareness training – Poor Know Your Client processes – Inadequate record keeping – Deficient screening processes – Lack of a risk-based approach – AML/CFT arrangements not tailored to business profile/characteristics – Procedural failures – Failure to report suspicious activity on a timely basis	– Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for AML/CFT purposes – The hiring of capable employees in each jurisdiction that undertake the key person roles (e.g. Compliance Officer and Money Laundering Reporting Officer) – Frequent mandatory staff training and awareness initiatives and CPD requirements – Compliance monitoring testing programme in place – Access to external consultants and databases to enable daily ongoing monitoring and in depth enquiries on clients as appropriate – Established Business Risk Assessment (BRA) process which is subject to periodic Board review	Financial crime risk is expected to remain a continuous principal risk for the business.

PRINCIPAL RISKS CONTINUED

	PRINCIPAL RISK (RISK OWNER)	POTENTIAL CAUSES	KEY MITIGATION MEASURES	TIMESCALE
9	**FIDUCIARY RISK** **(Group Divisional Heads)** The risk of breaching fiduciary duties, including failing to safeguard client assets, can be harmful to the Group's reputation and could become subject to high-value litigation. There is also the risk in failing to clearly define the Group's role in providing services to a client structure or service vehicle or a failure to fulfil the role expertly. JTC operates a comprehensive set of controls to prevent risk materialising in relation to its fiduciary duties. A change in the market conditions causing lower valuations of higher-risk investments, could change risk exposures and fiduciaries may begin to experience increased regulatory scrutiny and litigation with regard to responsibilities. During the recent pandemic period, JTC has not experienced any material increases in litigation.	– Breach of duty – Failure to act in accordance with constitutional documents or service agreement – Failing to exercise reasonable care, skill and diligence – Failure to declare interests of manage conflicts – Making partial judgements	– Strict policies, procedures and processes in operation within the Group (particularly risk escalation and recommendation for signing policy) – Qualified and experienced staff operating within '4-eyes' control parameter – Continuous training programme and CPD requirement – JTC does not provide legal or tax advice to its clients – Significant insurance cover	Fiduciary risk is an endemic feature of JTC business operations and is expected to remain a continuous principal risk.
10	**ADEQUATE RESOURCES RISK** **(Group Chief Operating Officer)** The risk of failure to attract or retain the best people with the right capabilities across all levels and jurisdictions. The repercussions of the global pandemic have significantly altered the workplace and the employment market in many jurisdictions. Remote-working practices initiated during early lockdown measures have been embraced into business-as-usual flexible working arrangements utilising the Group's existing strong technology capabilities. While the safety and wellbeing of staff remained a priority during 2021, ongoing activities continued to support attracting and retaining talent within the Group. An enhanced and more sophisticated HR system was deployed during the year allowing employees to self-serve and access a broad range of training materials. The Group also granted phased share awards worth £20m to its global workforce as part of its long-established Shared Ownership programme. The Group made several key appointments during the year, using technology and remote-interviewing as required. JTC continues to focus on succession planning and personal development, including supporting professional qualifications.	– Uncompetitive remuneration – Unappealing working environment and inadequate support – Lack of adequate succession planning – Failure to invest in appropriate and timely talent development – Failure to identify roles most essential to achieving strategic aims – Failure to identify the required skills for key roles – Insufficient focus on attitude and motivation and alignment with JTC's vision and values	– Dedicated in-house human-resource recruitment capability with detailed understanding of business needs and local market environment – Recruitment strategy to enhance and bolster teams, succession planning and employee value proposition – JTC ensures that the remuneration package is competitive in the marketplace and benchmarks with peer group – Management monitoring of capacity and work loads – Shared ownership scheme embedded across the business – JTC encourages a strong management culture where talent management and people development is a core focus – Pre-employment screening – Internal and PLC Remuneration committee – Staff access to Academy (Training), Gateway (International Transfers) and wellbeing programs – Flexible working arrangements	Adequate resourcing risk is expected to be a continuous principal risk.

PRINCIPAL RISKS CONTINUED

"The evolution of the global regulatory landscape continues to emerge as a risk."

EMERGING RISKS

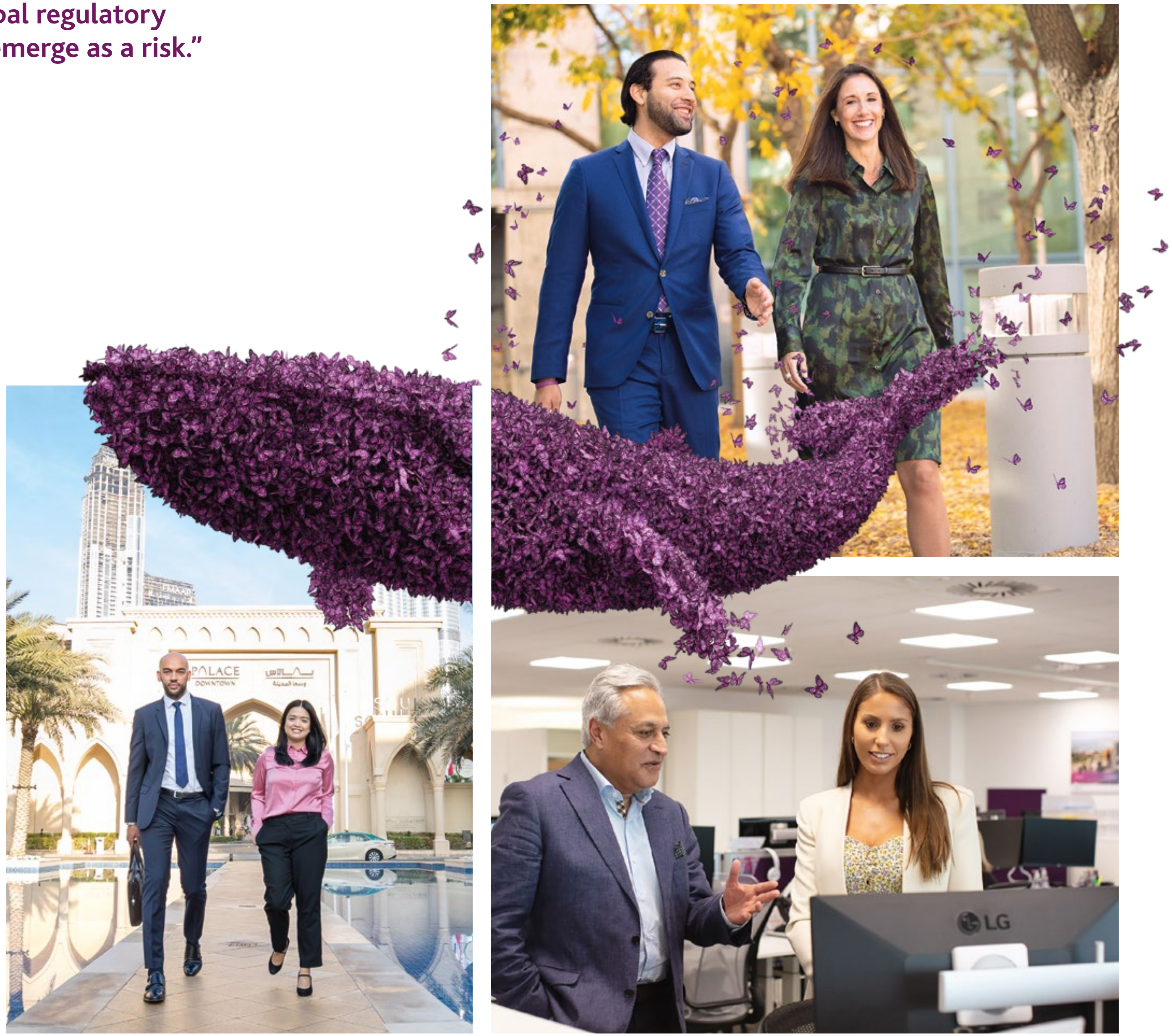
As a standard and continual procedure, we identify risks that we do not yet consider to be principal risks, but that we identify as emerging risks that may, in time, pose a threat to the Group's business model.

As predicted in last year's Annual Report, the evolution of the global regulatory landscape continues to emerge as a risk. While we already manage this as a principal risk, increased regulatory scrutiny and intervention are a continuing feature being experienced in many of the markets where we are regulated. During the year we have witnessed the detrimental impact of jurisdictions being identified as requiring 'increased monitoring' by international standard setters, and regulators, who themselves are also subject to inspection by international assessors, continuing to gain increased powers and impose fines and sanctions on regulated firms regarded as non-compliant. JTC Group seeks to operate to the highest regulatory standards, but an increasing cost of compliance is an inevitable feature of this trend.

Employee wellbeing is an area of continued focus. We are proud of the resilience we have demonstrated during a sustained period of disruption to the working environment as a consequence of the pandemic. While we continue to maintain a stable workforce, and have embraced many of the positive aspects of remote working, we remain alert to some of the emerging trends affecting the global workforce. This includes how employees regard their work-life balance, potentially affecting retention levels, and affects mental health and wellbeing. We recognise that mental health-related absence can be more costly for an organisation than absence from physical illness or injury, and therefore keep this area under continuous review.

Third-party data compromise is already a principal risk we manage, but the threat is constantly evolving as lawbreakers seek to gain from advances in technology and system vulnerabilities. All businesses operate in an inter-connected environment and therefore we remain alert to fact that, notwithstanding the strength of our own cyber defences, third parties such as clients and suppliers remain vulnerable, and this could have secondary-level impacts on our business operations. This is an area of increased focus and attention.

Climate change is widely identified as a global emerging threat. We aim to minimise the environmental impact of our operations and are proud to have become carbon neutral in 2021. Investors are increasingly interested in an organisation's approach to environmental, social and governance (ESG) factors and this is also influencing client behaviour. Initiatives to combat climate change may have some limited impact on our operations and, indeed, a focus upon the ESG agenda offers business opportunities for the Group. We are developing our own ESG services and therefore an understanding of the risks is of value to our clients as well as our own business. The pandemic, in particular, has intensified discussions on the interconnectedness of sustainability and the financial system, and are already experiencing increased investor and client demands as well as regulation providing secondary-level impacts. This is an area where we will continue to be vigilant.



VIABILITY STATEMENT

ASSESSMENT OF PROSPECTS

The Group's business model and strategy are central to an understanding of its prospects, and details can be found on page 11. The nature of the Group's activities are long term and the business model is open ended. The Group's current overall strategy has been in place for several years, subject to the ongoing monitoring and development described below.

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

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

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

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

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

THE ASSESSMENT PROCESS AND KEY ASSUMPTIONS

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

The business has been in existence for 34 years and has grown every year. It has long term customer relationship that typically last more than ten years. In 2021 it made two large acquisitions of businesses with average customer contracts which last more than 30 years.

Within the current five year business plan the business focuses on strategic objectives and these are supported by a detailed financial model for the next three years. As a result management believe that it is appropriate to base the Viability Statement on the three year period.

Detailed financial forecasts have been prepared for the three year period to 31 December 2024, and therefore two years and nine months remain at the time of approval of this year's Annual Report. The first year of the financial forecasts is derived from the Group's operating budget and is subject to regular review throughout the year. The second and third years are completed with a reasonable level of detail, and are flexed based on the actual results in year one.

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

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

ASSESSMENT OF VIABILITY

Whilst the Group's detailed financial forecasts are based on the Directors' expectations for the period of viability, the Group has also assessed the financial impact and the impact on our loan covenants in relation to the Group's Principal Risks, which are set out on pages 45 and 46. A number of other aspects of the principal risks – because of their nature or potential impact – could also threaten the Group's ability to continue in business in its current form if they were to occur. This was considered as part of the assessment of the Group's viability, as explained below.

The viability statement evaluates the following risks:

- Lower revenues and higher costs resulting from a change in economic outlook that leads to (i) a higher cost to service clients and (ii) a reduction in revenues due to depressed market activity;
- All acquisitions failing to achieve intended objectives;
- Adverse foreign exchange movements and interest rate increases; and
- A regulatory, cyber or fiduciary incident resulting in significant one-off costs during the period.

The Group's assessment considered all of the above risks occurring at the same time. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 31 December 2024. In making this statement the Directors have considered the current financial position of the Group and the resilience of the Group in the event of this severe but plausible scenario. The modelling of these risks has taken into account the principal risks and their impact on the business model, future performance, solvency and liquidity over the period.

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

GOING CONCERN BASIS

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

VIABILITY STATEMENT

Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 31 December 2024.

Governance

CHAIRMAN'S INTRODUCTION

Leading with purpose

MIKE LISTON, OBE
NON-EXECUTIVE CHAIRMAN

UK CORPORATE GOVERNANCE CODE

The UK Corporate Governance Code 2018 (the "Code") which is available to view on the Financial Reporting Council's website is the standard against which we measured ourselves in 2021. The Board confirms that we complied with all of the provisions set out in the Code for the period under review. Details on how we have applied the principles set out in the Code and how governance operates at JTC have been summarised throughout the Directors' Report.

Our full Corporate Governance Statement outlining is available on www.jtcgroup.com/investorrelations

PURPOSE & CULTURE

Reflecting on the past year I believe there has never been such relevance for JTC's corporate purpose and the deeply embedded Shared Ownership culture which supports it. Governments across the globe have turned to the markets to mobilise an unprecedented flow of capital to stimulate economic and social recovery from the pandemic and to fund new energy infrastructure to meet the twin threats of energy insecurity and climate change. These tangible imperatives give new meaning to the concept of 'connecting capital for good' and they reinforce the culture of togetherness and alignment which has underpinned the extraordinary performance of our people throughout several global crises.

Our business has increasingly enabled cross-border capital flows, as international clients responded to the new opportunities that emerged from globalisation. However, in a new world which rightly demands that business plays a role in society that is measured by more than just commercial success, our purpose now extends far beyond providing sophisticated professional services, to include wider support for the environmental, social and governance performance of assets created by the intermediation of capital flows. This global change applies not only to the transacting parties, but to other stakeholders such as the capital markets, regulators, governments and the communities they serve. JTC operates in over 20 jurisdictions, all of which interconnect to generate positive macroeconomic impacts from the assets administered in these jurisdictions, which in turn support GDP and employment in many countries.

INDUSTRY CONSOLIDATION

The complexity of facilitating cross-border business amidst a plethora of regulatory regimes has led in recent years to the need for immense specialisation and expertise in our industry. At the same time client demand for multi-jurisdictional, multi-disciplinary services has soared. This, together with acquisition activity by Private Equity players is driving rapid consolidation in what remains a fragmented sector with several thousand participants globally. Our relatively unique position as a public company has enabled us to act on the resulting opportunities to supplement our strong organic growth, with seven acquisitions during the year. Through our well-established compounding strategy that marries organic growth to disciplined acquisitions and a relentless commitment to operational excellence, we aim within our current multi-year business plan, the Galaxy era, to double again the size of JTC group in a timescale similar to that which we achieved following our IPO in 2018. The excellent progress made in 2021, the first year of the Galaxy era, affords us the comfort of maintaining discipline as we continue to assess a strong pipeline of opportunities for both the right cultural and strategic fit from acquisitions.

As pleasing as it is to see the inherent value of our industry recognised in high levels of market M&A, your Board remains committed to the long term and, in particular, the preservation of the unique culture which has served the company, its employees and shareholders so well for so long. That culture has benefitted from evolution during the company's journey from private to public ownership and makes JTC not only an agile, entrepreneurial business but also a good corporate citizen, service provider and employer. Moreover, an all-employee shared-ownership model supports an "owners mindset" throughout the company, which in turn attracts like-minded individuals in the intense competition for talent and acquisitions.

With every single permanent employee an owner of the Company, our people have continued to deliver record business performance since IPO, unimpaired by the disruptions of the pandemic and employee retention performance remains sector-leading. It was fitting therefore that they shared a £20m award of JTC shares under the Employee Incentive Plan in its first distribution in the listed era.

Exceptional human talent is essential to delivery in our people-centric professional services business and so too is the organisation of that talent. Our balanced and diversified business model unifies resources in an industry otherwise fragmented around the specialist markets of Funds, Corporate and Private Client Services. Recent convergence in the sophistication required to serve these markets is providing substantial benefits during our expansion as we serve all these markets from a single platform of talent, technology, infrastructure and other resources

GOVERNANCE

Your Board confirms that it complied with all the provisions set out in the UK Corporate Governance Code during the reporting period. In addition, we commissioned an independent, expert review of the Board's effectiveness and whilst I believe all stakeholders will be reassured by the review's findings, we remain committed to do even better. Full details of the review can be found in the Nominations Committee Report and further insight into our governance regime can be found in the accompanying reports of the Audit and Risk and Remuneration committees.

Having always aspired to promote being the best business we can be holistically, we are greatly encouraged by the rapid rise of ESG as a governance imperative for businesses. JTC is inherently a governance business and our Shared Ownership culture is a 24 year long commitment to social equality and success achieved through meritocracy. In the environmental sphere, our long experience of administering renewable energy funds is one example of the knowledge and skills that equip us well to amplify social impact far beyond our own pursuit of net zero carbon status. I am pleased to confirm that JTC is now Carbon Neutral+ and reporting under TCFD in addition to the SASB reporting we introduced in 2020.

Since year-end we have created the role of Chief Sustainability Officer, which will be performed by Wendy Holley in addition to her role as Group Chief Operating Officer. With her decades of industry experience and expertise in all operational areas of the Group, she is ideally placed to drive our ESG strategies into the fabric of the business, ensuring that our ESG goals are not only embedded in our everyday activities but also prioritised in our business strategy to capture the substantial commercial opportunities in front of us. Our acquisition this year of Indos Financial gives us an enhanced ability to provide clients with a range of ESG services, including oversight and assurance of regulatory compliance.

Implementation of the Group's Executive succession plan has continued to progress along the established evolutionary path, with the latest milestone being an expansion of duties for Iain Johns and Jon Jennings, the incumbent Heads of our PCS and ICS Divisions. Iain and Jon will now broaden their spans of control by taking on additional responsibilities in the roles of Group Managing Director and Deputy Group Managing Director respectively. They will further progress their development in the Company by working closely with Nigel as Group CEO and also the Group Operations teams. The focus of their expanded roles will be the implementation of strategies that drive growth, develop JTC's global platform and support and nurture our Shared Ownership culture.

Development and succession planning for non-executive directors also progressed with an independent search and evaluation process which has yielded strong candidates, resulting in the appointment of Kate Beauchamp to the Board in March 2022, adding valuable new skills and experience and strengthening independent oversight in a number of key areas.

AGM

Our AGM provides investors with a valuable opportunity to communicate with us. In recognition of this the Board is seeking Shareholders' authority to permit combined physical and electronic general meetings to be convened in the future. This will enable us to explore opportunities to remove barriers to participation and engage with Shareholders unable to attend general meetings in person, while reducing the environmental impact of our meetings.

MIKE LISTON OBE
NON-EXECUTIVE CHAIRMAN
14 April 2022

Board of Directors
Values and leadership

	MIKE LISTON, OBE (70) NON-EXECUTIVE CHAIRMAN	NIGEL LE QUESNE (61) CHIEF EXECUTIVE OFFICER	MARTIN FOTHERINGHAM (57) CHIEF FINANCIAL OFFICER	WENDY HOLLEY (55) CHIEF OPERATING OFFICER
				
APPOINTMENT TO BOARD	8 March 2018	12 January 2018 (joined the Group in 1991)	12 January 2018 (joined the Group in 2015)	19 July 2019 joined the Group in 2008)
COMMITTEE MEMBERSHIP	Nomination Remuneration	Not applicable.	Not applicable.	Not applicable.
QUALIFICATIONS	Fellow of the Royal Academy of Engineering and the Institution of Engineering and Technology	Fellow of the Chartered Governance Institute	Chartered Accountant	Chartered FCIPD, MIAB
EXPERIENCE	Extensive experience across public and private sector businesses. Chief Executive of Jersey Electricity plc between 1993 and 2008, subsequently holding a number of Non-Executive roles.	Key figure in the development of JTC over the last 29 years with extensive trust, fund and corporate administration experience.	Extensive management and corporate finance experience.	Over 25 years' experience in financial services operations and HR.
RELEVANT SKILLS	Broad range of experience at Board level, including eight years' relevant industry experience.	Extensive experience in leadership and management. Commercial, strategic, communication and investor relations skills. Experience of financial markets and fund management.	Strong financial analysis skills. Extensive experience in financial management and reporting. Broad range of management experience.	Broad range of management, project and business integration experience.
EXTERNAL APPOINTMENTS	Non-Executive Director and Chair of the Remuneration Committee and a member of the Audit & Risk Committee of Foresight Group Holdings PLC.	Not applicable.	Not applicable.	Not applicable.

DIRECTOR EFFECTIVENESS

The Board meets regularly during the year as well as on an ad hoc basis, as required by business needs. The Board met formally 8 times during the year and member attendance for each meeting held during the year is shown in the table opposite.

MEETING ATTENDANCE

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

* Kate Beauchamp was appointed to the Board post the reporting period on 24 March 2022.

Member	Mike Liston	Nigel Le Quesne	Martin Fotheringham	Dermot Mathias	Michael Gray	Erika Schraner	Wendy Holley
Member since	March 2018	January 2018	January 2018	March 2018	March 2018	November 2019	July 2019
Maximum no. of meetings	8	8	8	8	8	8	8
No. of meetings attended	8	8	8	8	8	8	8
% of meetings attended	100%	100%	100%	100%	100%	100%	100%

BOARD OF DIRECTORS VALUES AND LEADERSHIP CONTINUED

	DERMOT MATHIAS (72) SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR	MICHAEL GRAY (56) INDEPENDENT NON-EXECUTIVE DIRECTOR	ERIKA SCHRANER (54) INDEPENDENT NON-EXECUTIVE DIRECTOR	KATE BEAUCHAMP (47)* INDEPENDENT NON-EXECUTIVE DIRECTOR
				
APPOINTMENT TO BOARD	8 March 2018	8 March 2018	18 November 2019	24 March 2022
COMMITTEE MEMBERSHIP	Nomination Audit and Risk (Chair) Remuneration	Nomination Audit and Risk Remuneration (Chair)	Nomination (Chair) Audit and Risk Remuneration	Nomination Audit and Risk Remuneration
QUALIFICATIONS	Chartered Accountant.	FCIBS, AMCT, Dip IoD.	PhD in Management Science & Engineering.	LLB (Hons).
EXPERIENCE	Extensive management, corporate finance and NED experience.	20 years' senior management, financial and capital raising expertise and relevant experience.	Executive at IBM Corp. and Symantec Corp. Partner and Americas Operational Transaction Services leader (Tech Sector) at Ernst & Young (US). Partner, UK M&A Integration Leader & TMT M&A Advisory/Delivering Deal Value Leader at PwC LLP, London.	Qualified lawyer with more than 20 years' experience in both private and commercial practice and in the provision of corporate and legal advisory services in both the UK and USA
RELEVANT SKILLS	Strong financial skills. Extensive experience in leadership and management.	Communication and management skills. Extensive experience in the banking sector.	Extensive information technology and M&A experience.	Strong risk management skills. Extensive corporate governance, M&A contract negotiation and commercial litigation experience.
EXTERNAL APPOINTMENTS	Formerly Non-Executive Director and Chairman of the Audit Committee of Shaftesbury PLC (retired 25 February 2021 having served over eight years on the Board). Governor of Activate Learning.	Non-Executive Director Jersey Finance Limited. Non-Executive Director & member of the Audit Committee GCP Infrastructure Investments Limited. Non-Executive Director EPE Special Opportunities Limited. Non-Executive Director abrdn Latin Income Fund Limited.	Non-Executive Director, Chair of the Audit Committee and member of the Remuneration and Nomination Committees Aferian plc. Non-Executive Director Pod Point Group Holdings plc. Non-Executive Director Bytes Technology Group Plc.	Not applicable.

GOVERNANCE AT A GLANCE

2021 HIGHLIGHTS

BOARD SKILLS & DIVERSITY

Pages 53 and 54

BOARD EFFECTIVENESS

Page 63

BOARD AND COMMITTEE OVERSIGHT

Pages 52, 55 and 56

INDEPENDENCE

Pages 53, 54 and 55

SHAREHOLDER ENGAGEMENT

Page 57

PAY-FOR-PERFORMANCE

Page 72

AUDIT, RISK AND INTERNAL CONTROLS

Pages 42 to 49 and 64 to 66

PROMOTION OF CORPORATE CULTURE

Pages 28 to 34

ESG 28 to 34

Our full Corporate Governance Statement is available on:

www.jtcgroup.com/investorrelations

CHAIRMAN
- Leads & responsible for Board effectiveness
- Sets Board agendas in consultation with CEO, CFO and Company Secretary.
- Scrutinises the performance of the Executives & oversee the annual Board Effectiveness programme.
- Facilitates contributions from all Directors and ensures effective relationships.
- Ensures the views of all stakeholders are understood & considered appropriately in decision making.

CEO
- Represents all stakeholders, including employees, clients, regulators and investors.
- Develops and implements strategy, as approved by the Board
- Sets the cultural tone of the organisation.
- Facilitates an effective link between the business and the Board.
- Responsible for overall delivery of commercial objectives of the Group.
- The CEO's Review can be found on pages 4 to 7.

CFO
- Manages the Group's financial affairs.
- Supports the CEO in the implementation & achievement of the Group's strategic objectives.
- The CFO's Review can be found on pages 12 to 16.

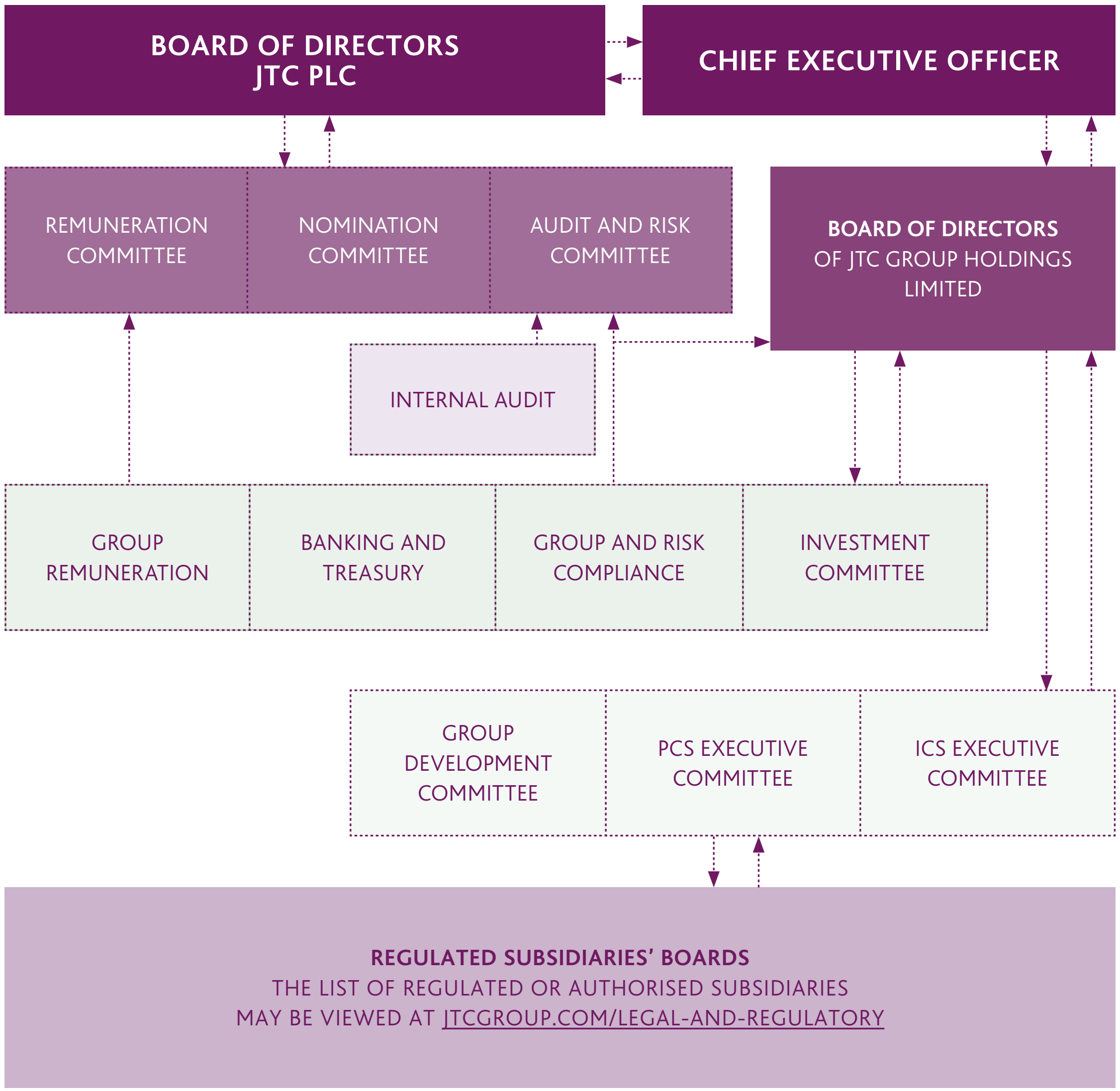
SID
- Acts as a NED
- Supports the Chairman in the delivery of his objectives.
- Acts as an alternative contact for shareholders.
- Leads the appraisal of the Chairman's performance with the NEDs.
- Undertakes a key role in succession planning for the Board, together with the Board Committees, Chairman and NEDs.

NEDS
- Monitor the delivery of strategy within the risk & control framework set by the Board.
- Ensure internal controls are robust & that the external Audit is undertaken properly.
- Engage with internal & external stakeholders and feedback insights to the Board.
- Constructively challenge & assist in the development of strategy.
- Play a key role in succession planning for the Board.

COO
- Develops & implements operational strategy.
- Leads & supports post-acquisition integration team.
- Responsible for 'people', culture & remuneration.

COMPANY SECRETARY
- Ensures appropriate information flows to the Board.
- Advises and keeps the Board updated on legal & regulatory requirements & best-practice corporate governance.
- Facilitates newly appointed Directors' inductions, tailored individual requirements.
- Ensures compliance with Board procedures & provides support to the Chairman.

BOARD GOVERNANCE FRAMEWORK



ACTIVITIES OF THE BOARD

BOARD ACTIVITIES DURING 2021

The Board meets regularly during the year as well as on an ad hoc basis, as required by business needs.

The Board met formally eight times during the year and attendance is shown in the table on page 53.

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

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

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

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

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

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

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

JANUARY
- CEO update call with NEDs
- CEO one-to-one call with Chairman
- Trading update

FEBRUARY
- Board meeting
- Internal Audit framework
- Acquisition opportunities & approval
- Executive remuneration outcomes

MARCH
- CEO update call with NEDs
- CEO one-to-one call with Chairman

APRIL
- Board meeting
- 2020 Annual Results
- Acquisition opportunities & approval
- Placing of new Ordinary Shares
- Executive conditional PSP awards

MAY
- Board meeting
- Operational systems (Blueprint) review
- AGM
- Executive remuneration 2021

JUNE
- CEO update call with NEDs
- CEO one-to-one call with Chairman

JULY
- Board meeting
- EIP share award
- Group remuneration review
- Trading update
- Acquisition opportunities & approval
- Group Risk Appetite & framework

AUGUST
- CEO update call with NEDs
- CEO one-to-one call with Chairman

SEPTEMBER
- Board meetings
- Acquisition opportunities & funding approval
- Group re-financing
- Approval 2021 Interim Results
- Directors Remuneration Policy review

OCTOBER
- Placing of new Ordinary Shares
- CEO update call with NEDs
- CEO one-to-one call with Chairman

NOVEMBER
- Board meeting
- Board composition & proposed NED appointment
- ESG & appointment of CSO
- Executive remuneration 2021

DECEMBER
- CEO update call with NEDs
- CEO one-to-one call with Chairman

BOARD PRIORITIES FOR 2022
- Strategy and innovation
- Risk and sustainability
- Culture and talent oversight
- Dynamic Governance
- M&A integration
- Stakeholder engagement

SECTION 172(1) STATEMENT

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

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

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

Set out on page 57 are some examples of how the Directors have had regard to the matters set out in section 172(1)(a)-(f) and the effect on certain decisions made by the Directors.

STAKEHOLDER ENGAGEMENT

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

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

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

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

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

	WHY IT IS IMPORTANT TO ENGAGE	HOW WE ENGAGE	KEY INTERESTS	OUTCOME OF ENGAGEMENT
CLIENTS – Ambassador and Star Ratings programmes – 2,805 social media posts – 121 e-comms – 104 thought leadership articles – 80 press releases – 17 direct marketing campaigns	Clients are the lifeblood of the business. The nature of our service offering means that we nurture and value long-term relationships, partnering with our clients to help them grow and achieve their aims. Client relationships typically last at least five years, with many lasting well over a decade and can even be multi-generational.	The Group Heads of ICS and PCS keep the Board informed of new and evolving trends and the requirements of our client base. Client feedback through JTC's Ambassador and Star Ratings programmes is used to drive continuous improvement in service quality, key processes and overall performance.	Our aim is to provide our clients with value added and competitive solutions tailored to their present and future needs.	By taking an entrepreneurial approach and delivering a first class service with a can-do attitude, we are able to retain and support our clients in a way that adds value and is mutually beneficial.
EMPLOYEES – 'Shared Ownership' programme – Comms Champions forum – 338 'JTC Joogle' articles – 300 employee appreciation cards sent – 29 employee events & competitions – 25 CEO update e-comms – 12 virtual birthday breakfasts	Our people are our most valuable asset and sit at the heart of the business. They hold the talent, expertise and energy to meet and exceed our clients' expectations and help the Group achieve its long-term goals.	The Board receives regular people strategy updates from the COO, including details of our employee engagement activities, updates on diversity, inclusion and equity initiatives, measurement and performance, learning and development (JTC Academy), employee wellness (JTC Wellbeing), employee mobility (JTC Gateway) and succession planning.	Our engagement is supported by three constantly evolving programmes. JTC Academy for learning and development, JTC Gateway for global mobility opportunities and JTC Wellbeing for physical, emotional and mental good health. All of these are supported and underpinned by our Shared Ownership programmes.	Through our Shared Ownership culture and Guiding Principles we aim to help every member of the team maximise their individual potential, enjoy a balanced life and have the opportunity to share directly in the long-term growth and success of JTC.
INTERMEDIARIES – 3,626 meetings – 2,805 social media posts – 86 conferences & events – 44 videos produced – 24 webinars – 121 e-comms	As an independent professional services firm, we are able to offer best-in-class services to the clients of intermediary partners that are complementary to their own services. We seek to form long-term relationships with intermediaries, working to achieve mutually beneficial commercial growth.	The Board is kept informed of intermediary partners initiatives through the Executive Committees of both Divisions, with support from the Chief Commercial Officer, Chief Communications Officer and business development teams.	We proactively develop, manage and monitor relationships with our intermediary partners, focusing on relationships and complementary services and using technology, such as Salesforce CRM, to make our engagement as efficient as possible.	By working with a range of high quality intermediaries we are able to grow the business organically, especially in terms of winning new clients and also offer our clients access to a wide range of ancillary services from top-class providers.

STAKEHOLDER ENGAGEMENT CONTINUED

	WHY IT IS IMPORTANT TO ENGAGE	HOW WE ENGAGE	KEY INTERESTS	OUTCOME OF ENGAGEMENT
REGULATORS AND GOVERNMENT BODIES – 21 Regulatory Relationships – 20 Regulatory/Governmental Review meetings – 2 Onsite Regulatory Examinations – 20 Industry Association memberships	Governments and regulators, at national, regional and local levels, draft, implement and uphold legislation, rules and regulations, and set the framework within which we operate. JTC has a global footprint and currently operates 30 offices in 20 different jurisdictions and we market our services in many more countries. The long-term success of our business is enhanced through engagement with relevant government bodies, including promotional bodies for the financial services sector, as well as bodies that relate to employment, environmental, social and governance matters.	The Chief Risk Officer and Company Secretary, and other subject matter experts regularly update the Board on matters affecting the Group as a result of actions being taken by regional and national government bodies and agencies which implement and enforce laws and regulations. We engage directly through membership of government trade bodies as well as contributing both time, expertise and experience to groups such as policy working parties. We also directly contribute to the public finances of the countries where we operate by ensuring timely payment of our relevant tax liabilities.	We take a disciplined, timely and proactive approach in monitoring regulatory updates and responding to any regulatory requests and requirements. We work closely and transparently with regulators as circumstances dictate, including on convened working parties and through local professional associations.	By forming appropriate and engaged relationships with our regulators we are able to offer an even better and more informed service to our clients, mitigating risk by ensuring compliance with all relevant standards, regulations and laws. By engaging directly with government bodies we are able to contribute to the countries and markets where we operate and positively represent the interests of JTC and its clients. We take a long-term partnership approach and respect the value and opportunity that comes from participating in each market where we do business.
SHAREHOLDERS – Full year and interim results presentations and roadshows – 125+ meeting with holders and non holders – Met with 100% of top 20 institutional holders – 58 new holders added to share register – 2 successful equity fundraises	Shareholders are the companies, financial institutions and individuals that hold a stake in the Company, including employees, who are a key group of shareholders in the Group. They are entitled to receive dividends and to vote at shareholder meetings on certain matters, including the election of the Company's Directors.	We regularly meet with institutional investors and analysts through our results roadshows and selected industry conferences. The Board attends the Company's AGM, where Directors are available to answer questions. The Company also provides regular financial reports and other ad hoc information, which is maintained on our website: jtcgroup.com/investor-relations/	Shareholders, and particularly institutional investors, are constantly evaluating their holdings in the Company and whether to buy, hold or sell shares. We provide insightful information about the Company's strategy, projects and performance to assist them in their assessment of the Company.	We pay special attention to how we communicate with shareholders, maintaining fluent and transparent dialogue with them in order to ensure that they are treated well and informed of all relevant information.
CHARITIES AND COMMUNITIES – £187,500 in charitable donations – 225 hours of employee time donated to Maximising Potential initiative – 120+ fundraising events – 115+ charities supported – 30 JTC offices engaged	The jurisdictions and countries where we operate are more than just the homes of our clients, they are the homes of our employees, their families and their communities. Engaging with charities around the world, and in particular in the markets where our operations are most substantial, is an important way of giving back to those communities.	We take an employee-led approach to charitable giving and seek to get involved with both international and local organisations that benefit the people and communities where we work. We also recognise the value of our client and intermediary relationships and where appropriate seek to support their charitable endeavours also.	Engaging with a range of organisations in the third sector, with a particular focus on education and wellbeing, helps to guide our programmes and our impact on the environment and society in the jurisdictions and countries where we operate.	Engaging directly with charities, both as JTC and where relevant on behalf of our clients, allows us to support the communities where we operate and make a difference to people's lives. We believe in maximising the potential of the individual and this provides a focus for our charitable engagement and giving.

CORPORATE GOVERNANCE

Nomination Committee Report

ERIKA SCHRANER
INDEPENDENT NON-EXECUTIVE DIRECTOR

"We are committed to continuing to evolve diversity of the Board and the executive team, whilst ensuring that the composition at both levels supports the Company in achieving its strategic plans."

MEMBERSHIP OF THE COMMITTEE

The Committee consists of five independent non-executive directors including Kate Beauchamp who joined on 24 March 2022.

I am chair of the Committee with the Group Company Secretary acting as secretary to the Committee. Other Board members are invited to attend the Committee meetings where there is no conflict of interest. Information on the significant professional expertise that each Committee member brings can be found in their professional biographies on pages 53 and 54.

The table below shows membership and attendance. In addition to the scheduled meetings, members discuss Committee business at other times during the year during formal Board meetings and at the Directors regular informal calls with the Executives.

COMMITTEE MEMBERS

Erika Schraner
Independent Non-Executive Director

Mike Liston
Non-Executive Chairman

Dermot Mathias
Senior Independent Non-Executive Director

Michael Gray
Independent Non-Executive Director

Kate Beauchamp*
Independent Non-Executive Director
(appointed 24 March 2022)

COMMITTEE MEETINGS IN 2021

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

* Kate Beauchamp was appointed post the reporting period on 24 March 2022.

	Meetings attended
Erika Schraner (Chair)	100%
Michael Gray	100%
Mike Liston	100%
Dermot Mathias	100%

DEAR SHAREHOLDER,

On behalf of the Committee, I am pleased to present our Report for the year ended 31 December 2021. It sets out how we fulfilled our duties under the Committee Terms of Reference and the Code and relevant legislation.

The Committee works to ensure that the Board maintains an appropriate balance of skills, knowledge and experience to deliver the Group's short-term and long-term success. I would like to thank the members of the Committee, the other Board members and our external advisor, Loudwater Advisory Services for their support during the year.

ROLE AND RESPONSIBILITIES

Our Committee works to regularly evaluate the balance of skills, knowledge, experience and diversity of the Board and its committees, and to make recommendations for changes, mindful of the need for orderly succession of the Board. As such, we identify and propose new appointments of Executive or Non-Executive Directors, or reappointment of these if their term of office expires. Our scope can be summarised into four elements:

- Board Composition: regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- Succession: drive succession planning for directors and other senior executives taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;
- Talent management: oversee the development of a diverse and inclusive succession pipeline
- Evaluation: periodically review the format of the Board Committee and Directors' performance evaluation programme to ensure that feedback is actioned.

The Committee's written Terms of Reference are available on our website. We are satisfied that they reflect our roles and responsibilities in line with the Code and associated regulations.

NOMINATION COMMITTEE REPORT CONTINUED

KEY ACTIVITIES IN 2021

In 2021, we engaged an independent third-party advisor, Loudwater Advisory Services to lead the Board evaluation process. We report on this process, results and subsequent development plan in detail on page 63.

I am pleased to report there were many positive aspects to the Board evaluation findings, in particular welcoming the observation that we have established "a very high bar of corporate governance excellence."

As well as assessing the performance of the Board and its committees, the evaluation process was designed to rigorously test whether its composition, dynamics, operations and structure are effective for JTC and its business environment in the Galaxy Era, and beyond.

As a Committee, we are satisfied the evaluation findings demonstrate that this is the case. We found the participation of a third-party advisor enhanced the objectivity and rigour of the evaluation process and results, and may consider engaging them further to support implementation recommendations, and potentially to assist with the 2022 review.

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

As reported last year, we continue to research future potential candidates to ensure orderly Board refreshment and diversity. This year, we undertook a selection process to identify suitable candidates to recommend for appointment to the Board as an additional Non-Executive Director.

When considering such appointments, we identify the skills and experience required for the role, and select individuals based on these, with due regard for the benefits of diversity. We again engaged Loudwater to support our efforts to seek out a greater pool of suitable prospective candidates, to include groups currently under-represented on the Board, such as women or ethnic minorities.

Loudwater assessed candidates taking into account overall ability, competence, formal qualifications and relevant professional experience, and the Chairman, CEO and CFO conducted personal interviews with the short-listed candidates.

In February 2022, the Committee was pleased to recommend the appointment of Kate Beauchamp to the Board as an independent Non-Executive Director.

Kate's appointment to the Board was approved with effect from 24 March 2022. Kate brings to the Company a wide range of experience at Board level across a number of sectors, which will complement and strengthen the Board's skill-set and we look forward to working with her.

DIVERSITY AND INCLUSION

JTC is a people-led business that is inclusive, engaged and committed to developing our people and supporting their career progression through the business, providing a fulfilling and fair environment in which to work. In line with our Guiding Principles and our commitment to operating a meritocratic approach to career progression, we have an ambition to achieve an improved diversity balance at all levels.

JTC values diversity and the benefits it can contribute to success. Our progress on gender diversity continues to track positively across the company as shown in the table on page 61 and at the time of writing, there are 38% of women on the Board. However the Board acknowledges that there is currently relatively low representation of female employees at the most senior management levels of the organisation and that it currently lacks ethnic diversity . The recent Independent Non-Executive Director search produced a shortlist with an ethnic minority candidate that proceeded to the final stages of the selection process. On this occasion, that candidate was not successful to final appointment. However, the Committee remains mindful of the Parker Review recommendation of Board's having at least one Director of colour by 2024 and ethnic diversity remains a key consideration for all future appointments. Furthermore, and in line with new recommendations from the FTSE Women Leaders Review, diversity consideration will now encompass to have at least 40% female directors on the Board and senior leadership team and have at least one woman in the Chair, senior independent director, CEO or CFO role by the end of 2025.

"This has been a satisfying year for our Committee and the Board welcomed our external Board Evaluation's feedback that we have established 'a very high bar of corporate governance excellence'."

NOMINATION COMMITTEE REPORT CONTINUED

DIRECTORS' INTERESTS

In accordance with the Companies (Jersey) Law 1991, as amended, all Directors who are interested in, or subsequently became aware of their interest in, a transaction or proposed transaction with the Company or any of its subsidiaries, must immediately declare the nature and extent of that interest to the Board. The Company Secretary maintains the Directors' Register of Interests and Conflicts, which is reviewed by the Directors at every Board meeting.

All Directors complete an annual declaration confirming they have declared all applicable interests and conflicts. They may hold other directorships if the Board determines that these do not cause any conflict of interest, and are satisfied the Director will be able to devote the necessary time and commitment to their JTC role.

RE-ELECTION OF DIRECTORS

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

All of the Directors have indicated their willingness to offer themselves for re-election. The Board, having considered the mix of skills, knowledge and experience of the Directors, recommends the re-election or election of each member of the Board based on their skills, experience and contribution towards achieving the Group's strategy and creating long-term value for stakeholders.

SHAREHOLDER ENGAGEMENT

The Committee welcomes questions from shareholders on its activities throughout the year. If you wish to discuss any aspect of this report, please contact me via the Company Secretary.

I would like to thank the other members of the Committee, management and our external advisers for their support during the year

ERIKA SCHRANER
NOMINATION COMMITTEE CHAIR
14 April 2022

NOMINATION COMMITTEE PRIORITIES 2022

Board composition	The Committee will continue to assess how the Board's composition and director nomination process reflects the Company's commitment to making further progress on diversity, equity and inclusion. The Committee will consider what skills the Board needs to deliver the Company's strategy throughout the 'Galaxy Era' and beyond deal with changes in the business environment.
Talent Management	This is the overall foundation of all JTC Academy activity. 'Project Talisman', the use of data to feed high potential learning plans to aid succession planning across the Group, will be a key area of focus and oversight from 2022. The Committee will be reviewing Group's gender diversity evolution and policies, and gender pay gap review in 2022, continuing to build our focus on diversity and inclusion as part of the Group's HR strategy.
Succession	Board succession discussions are seen as a matter for the whole Board, with the Committee reviewing the executive and senior talent succession planning and company strategy to ensure that there is appropriate challenge, questioning and debate. In 2022 the Committee will continue to review the Executive succession plans and talent pipeline, the ongoing development of directors, the continued suitability of contingency plans and strategy for the next cycle of board appointments and reappointments.
Evaluation	In accordance with the Board evaluation programme, the 2022 Board effectiveness assessment can be conducted internally, but the Board Committee may choose to potentially use the assistance of an external advisor at it did in 2021 for the 2022 review. The Board and the Committee consider that annual evaluations provide essential insight into how the Board functions as a group and assists the Committee in the complex task of evaluating the skills, strengths and experience of the Directors in support of the Company's long-term strategy. Regular independent analysis of Board composition and its collective effectiveness also enables the Committee to incorporate this insight on an ongoing basis so that it may ensure the Board's composition adequately supports the Company's needs in line with JTC's evolution.

GENDER DIVERSITY (YEAR-END HEADCOUNT %)

	2021	2020
Board of Directors	**71% MALE/29% FEMALE**[1]	71% MALE/29% FEMALE
Senior Managers – Directors	**65% MALE/35% FEMALE**	86% MALE/14% FEMALE
Directors and Managers	**50% MALE/50% FEMALE**	55% MALE/45% FEMALE
All employees	**43% MALE/57% FEMALE**	43% MALE/57% FEMALE

1 Board of Directors 62% MALE/38% FEMALE with effect from 24/03/2022 following Kate Beauchamp's appointment.

BOARD EVALUATION OUTCOMES

Board Appointment Selection & Induction

KATE BEAUCHAMP
INDEPENDENT NON-EXECUTIVE DIRECTOR

"Having built my career around managing risk, protecting & advocating for good corporate governance, it is a privilege to join JTC, an exemplar among professional services firms."

SELECTION PRINCIPALS

For Non-Executive Director recruitment, the Committee considers the strategic composition of the Board and follows two of JTC's Guiding Principles: meritocracy and maximising individual potential.

These principles function much like a policy and include both quantitative and qualitative principles, considering: (i) the overall aspired Board composition and diversity of gender, race and ethnicity, nationality, background and experience, together with the desired skillsets that align with the Company's strategy and purpose; and (ii) the values, attitudes, and behaviours expected of Directors.

SELECTION PROCESS

When the Nomination Committee considers an appointment recommendation it follows a formal and transparent procedure.

In late 2021 the Committee was assisted in its search for a new Non-Executive Director by its adviser, Loudwater who were considered appropriate and relevant for the assignment as they were able to bring their knowledge of the Board and its mix of strength and skills having facilitated the 2021 Board Effectiveness Review.

A detailed candidate profile was compiled and discussed by the Nomination Committee, taking into consideration the balance of skills and experience of existing Board members and the requirements of the Company and its future strategy. Once finalised the profile was recommended by the Nomination Committee to the Board for discussion and approval, and a search and selection process undertaken by Loudwater based on that profile, with a sub-committee being appointed to lead the selection process.

Candidates were identified and selected against objective criteria including their skills and experience while having due regard to the benefits of diversity on the Board.

Of the 15 candidates initially identified, following a screening process, 7 individuals were invited for interview. The sub-committee then choose a shortlist of 3 candidates who, having undertaken Hogan personality assessments, were interviewed independently by Loudwater and the Executive Directors. The sub-committee then choose a finalist from among the short-listed candidates who was interviewed by the Chairman of the Board.

On the basis of referencing, the assessment results, Loudwater's evaluation and candidate interview performance the sub-committee recommended that Kate Beauchamp should be appointed to the Board as an Independent Non-Executive Director, and that she be considered for appointment to the Board's Audit & Risk, Remuneration and Nomination Committees on appointment.

APPOINTMENT

Kate Beauchamp's appointment as an independent non-executive director, and a member of the Audit & Risk, Remuneration and Nomination Committees was approved by Board with effect from 24 March 2022. Further details of Kate's qualifications, skills and experience may be found on page 54.

In accordance with the Company's Articles and with the Code, Kate will retire at the forthcoming AGM and offer herself for election by Shareholders.

INDUCTION AND TRAINING

On appointment Directors receive a comprehensive induction tailored to their individual needs. The objective of the induction is to provide the new Director with the information they need to become as effective as possible in their role within the shortest practicable time, and to ensure they are properly informed, supported and welcomed from the time of their appointment.

The induction programme will typically include meetings with Senior Management, visits to Group offices, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, and internal and external auditors to enable them to build up a detailed understanding of JTC's business and strategy, and the key risks and issues overseen by the Board.

All Directors are also invited to attend orientation meetings with the Company Secretary prior to attending their first Board meeting to be briefed on the Board's policies and procedures.

In addition, to the contact information for Board members and senior staff and the Board meeting schedule and event calendar, each new Board member receives:

- a letter of appointment outlining the role and expectations in their role;
- a copy of the Directors and Officers Insurance; and
- a copy of the constitution, board charter, governance policies, strategic plan and any other key governance documents.
- continuous education and professional development programs are made available to board members as necessary.

Management provide briefing sessions to all new board members once they have had time to assess the information listed above allowing them to address any concerns or queries they may have regarding the organisation as their knowledge of the Group increases.

BOARD EFFECTIVENESS REVIEW – 2021

Board Evaluation

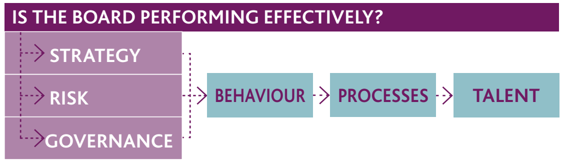
JTC's 2021 Board effectiveness review was conducted and prepared by an independent third party, Loudwater Leadership Advisory Services. (Loudwater) in alignment with Financial Reporting Council's UK Corporate Governance Code 2018 and its associated Guidance on Board Effectiveness, and UK governance principles and regulations applying to the Company as at the 31 December 2021.

EXECUTIVE SUMMARY

– It is ultimately for the Boards to decide on the governance arrangements most appropriate to the Company's circumstances and JTC believes that it benefits from regular in-depth reviews of all areas of Board activity, the Board's behaviours and its processes.
– Loudwater was therefore commissioned to undertake an external independent Board Effectiveness Review by the Nomination Committee.
– During the evaluation process Loudwater were provided with full access to the Board and senior management. Participants included all Board members, the Company Secretary and the Chief Risk Officer.
– Each Board Member completed a Board Review Self-Evaluation Questionnaire and took part in a series of one-to-one interviews with the Loudwater team.
– Loudwater were also provided, on a confidential basis, copies of sample board papers, reports, acquisition diligence packs and risk registers.

BOARD EFFECTIVENESS REVIEW FRAMEWORK

To evaluate Board effectiveness Loudwater examined whether the Board was fulfilling its core purpose across the three key components of Strategy, Risk and Governance, and whether it was properly leveraging the three core drivers of effectiveness: behaviour, process and talent.



BOARD PURPOSE

	STRATEGY	RISK	GOVERNANCE
BEHAVIOURS	Impact of the collective and individual behaviours of Board Members and other stakeholders both inside and outside the Boardroom on successful delivery of Company strategy	How do the collective and individual behaviours of Board Members and other stakeholders both inside and outside the Boardroom impact the effective identification, mitigation and management of risk	Does the collective and individual behaviour of Board Members and other stakeholders both inside and outside the Boardroom sustain and leverage the value of a culture of corporate governance excellence
PROCESSES	Are the current Company processes successfully enabling the Board to support and oversee the strategic planning and delivery process effectively and in a timely manner	Are the current Company risk, compliance and decision-making processes enabling the Board to identify, mitigate and manage risk effectively and in a timely manner	Do the current Company policies and processes provide an effective and efficient corporate governance framework that enables the Board to support and oversee delivery of the strategic goals effectively and in a timely manner
TALENT	Do the Board members, both collectively and individually possess the requisite skills and experience to support, oversee and add value to the Company's strategic planning process and subsequent delivery	Do the Board members, both collectively and individually possess the requisite skills and experience to support, oversee and add value to the Company's strategic planning process and subsequent delivery	Do the Board members, both collectively and individually recognise, promote and adhere to the highest standards of corporate governance excellence

BOARD EFFECTIVENESS PROFILE (BASED ON AGGREGATED SELF-ASSESSMENT MATERIAL)

Loudwater indentified that Direcotrs feel most positive about the Board's Behaviours, followed by similar but slightly lower levels of positivity around Strategy and Governance. Marginally behind, Risk and Process are still within high levels of comfort for the Board. Comparatively, the Board is least confident, yet still positive, about Talent. Loudwater's assessment identified overall evidence of a broadly balanced Board that reasonably perceives itself to be operating at high levels of effectiveness in respect of the needs of the Company.

"Our conclusion is that JTC has established a very high bar of corporate governance excellence."

LOUDWATER LEADERSHIP ADVISORY SERVICES

LOUDWATER'S OBSERVATIONS

Strategy

– Good evidence strategy has appropriate prominence on the Board agenda.
– Directors are confident they have sufficient qualifications & experience.
– Strong confirmation M&A strategy considerations are effective.
– Strategy Days highly valued by NEDs to build strategic awareness and stimulate debate.

Risk

– Sound understanding of JTC's risk framework & appetite.
– Board has identified areas for development over the last 2 years in respect of communication of risk management & pro-actively drives continuous improvement.
– Area of positive collaboration between the Board members, leading the organisation to a higher standard as a result.

Governance

– Board takes PLC status & associated responsibilities both under law and the Code very seriously
– Strong general culture of 'governance excellence'
– Strong indications the Boardroom is not an overly deferential environment & clear votes of confidence shared in the Chairman's leadership.
– High value attributed to CEO & 'Executive Briefings', alongside formal Board meetings

Behaviours

– Robust discussion to test assumptions and challenge proposals appreciated & valued.
– Evidence JTC's Boardroom is a healthy and open forum for debate.
– Directors demonstrate high appreciation of need for trust, respect, confidentiality & integrity.
– Board recognises it is in the early stages of JTC's public journey, high value is attributed to opportunities to develop inter-personal relationships.

Processes

– Excellent company secretarial support and commensurate Board processes and documentation befitting a PLC.
– Quality and quantity of Board information considered to be the right level, and appropriately curated

Talent

– Directors possess a range of professional and sectoral skills and experience
– Board composition is under continuous and on-going consideration

OUTCOMES IMPLEMENTED IN 2022

– Bi-annual Board strategy days
– 'Deep Dive' sessions to further foster in-depth discussions on critical matters e.g. Cyber Security, Talent Management, ESG
– Continued monthly 'catch-up' calls for NEDs with the CEO
– Regular CRO one-to-one calls with the SID
– CRO to attend scheduled quarterly Board Meetings (as observer)
– Re-introduction of Board dinners, face to face meetings and opportunities to develop inter-personal relationships with management team and staff
– Implementation of informal periodic Board Member evaluations, led by Chairman

CORPORATE GOVERNANCE

Audit & Risk Committee Report

DERMOT MATHIAS
AUDIT & RISK COMMITTEE CHAIRMAN

"The Committee has continued to monitor the integrity of financial reporting, the effectiveness of risk management and internal controls processes, and in governance and compliance matters."

MEMBERSHIP OF THE COMMITTEE

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

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

COMMITTEE MEMBERS

Dermot Mathias
Committee Chairman, Senior Independent Non-Executive Director

Michael Gray
Independent Non-Executive Director

Erika Schraner
Independent Non-Executive Director

Kate Beauchamp*
Independent Non-Executive Director (appointed 24 March 2022)

COMMITTEE MEETINGS IN 2021

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

* Kate Beauchamp was appointed post the reporting period on 24 March 2022.

	Meetings attended
Dermot Mathias (Chair)	100%
Michael Gray	100%
Erika Schraner	100%

DEAR SHAREHOLDER,

On behalf of the Audit and Risk Committee, I am pleased to present our report into the work we have carried out over the year ended 31 December 2021. I would like to thank the other members of the Committee, management and our external auditors for their support during the year. I believe the quality of discussion and challenge on the Committee ensures that we continue to perform our role effectively.

Throughout the year, The Board applied all of the principles and provisions of the UK Corporate Governance Code (referred to as the Code from here on). I would welcome questions from shareholders on the Committee's activities. If you wish to discuss any aspect of this report, you can contact me through the Company Secretary. If you wish to submit questions to the Board before the AGM, please email them to the Company Secretary at agm@jtcgroup.com, before 11:00am on 19 May 2022.

AUDIT & RISK COMMITTEE REPORT CONTINUED

KEY RESPONSIBILITIES

The Committee supports the Board in fulfilling its responsibilities related to the following. You can find full details in our Terms of Reference on our website.

The Committee:

- monitors the integrity of financial reporting;
- considers significant judgements, assumptions and estimates made by management;
- advises the Board on various statements made in the Annual Report, including those on viability, going concern, risks and controls, and whether, when read as a whole, the report is fair, balanced and understandable;
- monitors the effectiveness of risk management and internal controls, including cyber security;
- reviews the effectiveness of governance and compliance;
- reviews the work of the external auditor
- reviews the whistleblowing policy and procedures;
- provides an update to the Board following each meeting;
- meets the Executive Directors and the Chief Risk Officer, as appropriate, to obtain a good understanding of the issues affecting the Group.

MEMBERSHIP AND ATTENDANCE

- For the purpose of the Code, the Committee Chair satisfies the requirement of having appropriate recent and relevant financial experience. He is a chartered accountant with many years of senior financial experience.
- The Chair may invite the Chief Risk Officer, the external auditor and members of the senior management team to meetings, and ask them to withdraw from the meeting if necessary.
- Meeting agendas are linked to the financial calendar and to the annual plan, which is dynamic, and therefore will evolve when we need greater focus on a specific area. Meetings are scheduled to allow members to have a regular informed debate.
- The Company Secretary acts as secretary to the Committee, and ensures members receive information in good time.

KEY ACTIVITIES DURING THE YEAR

- Our primary focus was on the integrity of the Group's financial reporting, including accounting and disclosures related to the valuation of goodwill and intangible assets, particularly in relation to the seven acquisitive transactions completed during the year – RBC cees, INDOS, Segue Partners, Ballybunion Capital, SALI Fund Services, perfORM Due Diligence Services and Essential Fund Services.
- We were updated regularly on the Group's IT strategy and infrastructure, and the ability to detect and defend against cyber-attack effectively.
- For the half year results and Annual Report, we reviewed the going concern and Consolidated Financial Statements, and the Viability Statement for the Annual Report.
- We were satisfied management had carried out a rigorous assessment of the risks that could threaten the business model, performance, solvency or liquidity of the Group.

SIGNIFICANT ISSUES

The Committee considers the following to be significant issues for the Committee to consider:

- Risk management framework: resiliency, data and technology and cyber risk
- Implementation of Internal Audit
- Internal controls
- Regulatory developments, accounting and disclosure trends
- Management's assessment of the Company's TCFD disclosures
- Recognition and recoverability of WIP
- Impairment of goodwill & other intangibles
- Business combinations

FAIR, BALANCED AND UNDERSTANDABLE STATEMENT

The Committee considered whether this Annual Report and Accounts, taken as whole:

- had been open and honest about the challenges, opportunities and successes throughout the year
- provided clear explanations of our KPIs and how they link to our strategy and remuneration
- explained our business model, strategy and accounting policies simply and clearly
- incorporated clear cross-references to additional information where necessary
- was in line with what the Board had considered and decided throughout the year
- provided appropriate information for shareholders to assess performance and strategy
- had been written in clear and concise language.

We then recommended to the Board that the Annual Report and Consolidated Financial Statements are fair, balanced and understandable.

COMPETITION LAWS

The Board has taken the necessary steps to ensure compliance with all applicable competition laws and the Company complied with the provisions of the Competition and Markets Authority's Order during the financial year under review.

EXTERNAL AUDIT

PwC continued as our external auditor during the year. We are satisfied that PwC remains independent and objective in its work, and are satisfied with the quality of the audit plan and related reports for the 2021 audit. This includes the quality of service, the competence of staff, and their understanding of the business and related financial risks. The Committee and Chair met the external auditor on several occasions, without management present to discuss matters.

As a Jersey-incorporated company , we do not have to invite proposals to tender for audit every 10 years. However, we keep this option under review when we consider the effectiveness of the external auditor. The audit partner, Mike Byrne, having completed his 5th year of the 5 years permissible under the FRC Ethical standard is now standing down. We have recommended to the Board of Directors that they present a resolution to shareholders to reappoint PwC for the 2022 financial period. This is due to the benefits we see in continuity, and the ability to retain the wider existing audit team under a new partner. We are satisfied that the rotation of the audit partner is sufficient to ensure an independent view of the fairness of the Company's Consolidated Financial Statements.

NON-AUDIT SERVICES

The Committee is satisfied that the non-audit services policy is compatible with the FRC's Revised Ethical Standard 2019, which became effective on 15 March 2020 and that the changes for non-audit services did not have an impact on services that had been contracted for and commenced by that date. We ensure that we do not award the auditors non-audit work if there is a risk it might impair the objectivity and independence of the audit. We all approve the award to the external auditors of other work for £10,000 or more, and other than in exceptional circumstances, non-audit fees should not exceed 70% of audit and assurance fees over a three-year rolling period. Aggregate fees for non-audit services paid to PwC during the period were £98,900.

AUDIT & RISK COMMITTEE REPORT CONTINUED

WHISTLEBLOWING POLICY
The Board is responsible for the whistleblowing policy and procedures, and their remit includes all aspects of the business. We review the whistleblowing policy every year, and report any concerns or incidents to the Board. Any reported incidents are subject to thorough review and detailed investigation. The policy was reviewed and updated after the year end in February 2022.

INTERNAL CONTROL AND RISK MANAGEMENT
The principal risks and uncertainties facing the Group are set out in the Risk Management section pages 42 to 49. We evaluate the risk and control arrangements, and report to the Board. We are satisfied that there is rigorous review of the risks and that controls of significant risks operate effectively, and we are satisfied the statements made in the Risk Management section are appropriate based on what management can currently know. The Board has not identified any significant failings or weaknesses during the year.

INTERNAL AUDIT
In 2021, we bolstered our three-lines risk assurance model by establishing an Internal Audit function. Group Internal Audit is independent of management and has a reporting line to the Chair of the Committee, providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. It has developed during 2021 and has provided valuable assurance to several parts of the Group's business. We expect the function to continue to grow and develop.

TAX POLICY
The Board continuously reviews its transfer pricing policy and updates this to reflect the evolving nature and increasing complexity of the Group's operations. For further information please refer to the CFO's Review page 15.

FUTURE FOCUS
We will continue to focus on the resilience of our cyber security and IT controls, and on ensuring that we meet all new accounting standards, relevant legislation and guidance.

ANNUAL COMMITTEE EVALUATION
Each year, we review our own performance as an Audit Committee, considering all of the activities and requirements reviewed in this Committee report, and the Committee's terms of reference. This includes the Committee structure and composition, the number of meetings, other activities, training and time spent, and whether these are adequate for fulfilling our roles and responsibilities.

This review is underpinned by the independent performance evaluation of the Board and its committees, for which you can find a separate report on page 63.

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

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

DERMOT MATHIAS
AUDIT & RISK COMMITTEE CHAIR
14 April 2022

HIGHLIGHTS FROM THE YEAR

2021 areas of focus	Action taken by the committee/board
Financial reporting	Reviewed the half year and full year Consolidated Financial Statements including key judgements, estimates and assumptions, going concern and viability statements
	Consideration as to whether the Annual Report was fair, balanced and understandable
	Meetings with the Auditors in respect of the half year and full year Consolidated Financial Statements
	Regulatory developments, accounting and disclosure trends
	Management's assessment of the Company's TCFD disclosures
	Recognition and recoverability of WIP
	Impairment of goodwill
	Acquisition integrations
Controls and assurance	Review of risk and controls including reports from and meeting with the Chief Risk Officer
	Review of the internal audit framework and charter for implementation in 2021
	Review of the Group's whistleblowing policy
Audit	Considered the impact of voluntary audit rotation on audit quality and determined that the rotation at audit partner level in 2022 appropriate to ensure a continued independent view of the fairness of the Company's Consolidated Financial Statements
	Consideration of the independence and effectiveness of the external auditor. The Directors complete an External Audit Performance Questionnaire, the results are analysed by the Company Secretary and submitted to the Committee to assist its assessment the performance of the external auditor following completion of the Audit
	Review of audit fees and non-audit fees paid to the external auditor
	Review and approval of the audit strategy and audit plan
Share based payments	Review of the methodology for the accounting of share-based payments and assessment by management as to the number of shares expected to vest under the terms of the Performance Share Plan, and expectations around the achievement of performance targets

CORPORATE GOVERNANCE

Remuneration Committee Report

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIRMAN

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

MEMBERSHIP OF THE COMMITTEE

All Committee members are independent Non-Executive Directors, as defined under the Code, with the exception of the Group Chairman who was independent on his appointment.

The Committee members have no personal financial interest, other than as shareholders, in the matters considered by the Committee.

There were no changes in the Committee during the year. JTC (Jersey) Limited, the corporate Company Secretary, acts as secretary to the Committee.

COMMITTEE MEMBERS

Michael Gray
Committee Chairman,
Independent Non-Executive Director

Mike Liston
Non-Executive Chairman

Dermot Mathias
Audit & Risk Committee Chair,
Senior Independent Non-Executive Director

Erika Schraner
Nomination Committee Chair,
Independent Non-Executive Director

COMMITTEE MEETINGS IN 2021

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

	Meetings attended
Michael Gray (Chair)	100%
Mike Liston	100%
Dermot Mathias	100%
Erika Schraner	100%

DEAR SHAREHOLDER,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for 2021. The report aims to provide a comprehensive picture of the structure and scale of our remuneration framework, its alignment with the business strategy and the rest of the workforce, as well as the decisions made by the Committee as a result of business performance in 2021, and the intended arrangements for 2022.

COMPOSITION

Details of the Committee members' experience and expertise may be found on pages 53 and 54.

The table opposite shows membership, and attendance, while in addition to the scheduled meetings, members discuss Committee business at other times during the year. The Executive Directors may attend meetings by invitation when appropriate.

ROLE AND RESPONSIBILITIES

The Committee's key role is to set the Company's Remuneration Policy, determine each Executive Director's total individual remuneration package and set the targets for their performance-related pay.

In setting the Remuneration Policy we aim to ensure that JTC remains a leading global professional services business and an employer of choice, where hard work and results are appropriately recognised and rewarded and remuneration is based on realised outcomes determined through a principles-based approach taking into consideration all aspects of the Group and the individual's performance, fully aligned with stakeholders' long-term interests.

REMUNERATION COMMITTEE REPORT CONTINUED

> **"Performance is critical, but a well-designed remuneration programme must also attract and retain a high calibre team to support the delivery of long-term shareholder value."**

KEY ACTIVITIES IN 2021

JTC's approach to remuneration has been a key driver of our sustained success over more than 30 years. All employees are motivated to grow the business over the medium to long term, taking accountability for all their decisions and the accompanying risk management, customer, economic and reputational consequences across the global markets in which we operate.

A summary of the matters considered at each Committee meeting and the Committee's activities during the year is included in the schedule of Board activities detailed on page 56.

The current Remuneration Policy for Executive and Non-Executive Directors (the "Remuneration Policy") was approved by shareholders at the AGM held on 21 May 2019. In consultation with our independent advisors, in 2021, we reviewed the Policy to ensure that there remained appropriate alignment between executive pay arrangements and the wider workforce, with a focus on flexibility of reward and recognition while maintaining the fundamental JTC values of fairness, meritocracy and pay-for-performance.

We carefully considered the pay framework for Executives and the Group's incentive arrangements and whether these remain aligned with stakeholders' long-term interests. The Committee also reviewed the performance measures used in the incentive schemes and whether they continue to reflect the business strategy, and that the targets remain stretching but achievable.

As a result of the review we have made minor updates to the Remuneration Policy; most notably the alignment of the Executive's pension contributions. The Committee has proposed that by the end of 2022 the pension contributions for incumbent and future Executive Directors will be consistent with that which is available to the workforce. The current average rate available for the workforce in UK and Jersey is 5% of salary.

The Board is satisfied that the proposed Remuneration Policy will support our remuneration objectives, which include attracting, motivating and retaining exceptional, entrepreneurial and ethical people with the deep industry expertise needed to deliver strong financial performance over the short and long term, while prudently managing risk and ensuring that regulatory requirements are upheld.

JTC's proposed Remuneration Policy may be found on pages 88 to 92.

We consider the proposed Remuneration Policy is in line and consistent with all applicable regulatory provisions, comments received from institutional shareholders and best practice in executive remuneration.

The proposed Remuneration Policy will be put to shareholders for a binding vote at the AGM on 31 May 2022 and, if approved, shall remain valid for the three financial years following that in which it was approved (2022, 2023 and 2024).

REMUNERATION OUTCOMES 2021

The Executives' 2021 performance 'at a glance' and remuneration outcomes, including the single total figure of remuneration for Executive Directors, may be found on page 73.

FY2021 remuneration outcomes reflect:

- this year's achievements against a range of financial and non-financial measures
- the importance of our people and retaining key talent in an increasingly complex regulatory environment
- an alignment to the outcomes delivered to shareholders
- ESG considerations, progress, and achievements
- risk management, compliance and conduct outcomes.

The Executive Directors elected to cap their 2021 annual bonus opportunity to 40% of salary in conjunction with the wider workforce in regards to annual bonus pay-outs and the balance between short- and long-term incentives as part of the overall pay mix. In line with the Remuneration Policy, the annual bonus for the CEO and the rest of the Executive Leadership Team have been set by reference to a balanced scorecard of financial and non-financial measures that support the Group strategy, which are detailed on pages 1 to 11.

The 2019 PSP was measured and weighted equally between TSR and EPS for the CEO and CFO. The COO had an additional metric of the Group business plan which was also weighted equally. JTC achieved 88th percentile against the FTSE Small Cap Index; as a result the TSR element fully vested. JTC achieved 25.55p within the three year period and as a result achieved 72.5% of the EPS vesting. The Committee determined that the Group business plan achieved 72% vesting. As a result, the final vesting of the full award was 86% of maximum for the CEO and CFO, and 82% of maximum for the COO.

The Annual Report on Remuneration and the Annual Statement will be put to a Shareholder vote at the AGM on 31 May 2022.

APPLICATION OF DISCRETION

To ensure that pay outcomes appropriately reflect individual and business performance, together with the wider economic and societal climate, the Committee has overriding discretion on Executive Directors' pay in addition to the ability to apply malus, clawback and the responsible application of discretion to override formulaic outcomes of the incentive schemes.

During the year, the Committee did not apply any discretion to the variable pay outcomes of the annual bonus or PSP. The Committee agreed that the final pay-out and vesting of the annual bonus and 2019 PSP was reflective of the respective performance period and that the Policy operated as intended.

Further details are provided on pages 73 to 75.

PAY ARRANGEMENTS FOR 2022

As outlined earlier in this report, the Remuneration Committee is proposing changes to the Remuneration Policy to better align with corporate governance best practices and these are subject to shareholder approval at the Company's AGM on 31 May 2022. Details of how the Remuneration Policy will be implemented for 2022, if approved at the forthcoming AGM, may be found on pages 88 to 92.

When reviewing salary levels, the Committee considers a number of internal and external factors, primarily the salary review principles applied to the rest of the organisation, but also Company performance during the year and external market data. As a result of performance in the year and the considerable effort and resilience shown by colleagues across the wider organisation, despite the impact of the Covid-19 pandemic, the Committee agreed to award a salary increase of 2.9% to the Executive Directors, which is in line with the cost of living increases awarded in Jersey.

Executive Directors have a maximum annual bonus opportunity of up to 100% of salary, as per the Remuneration Policy. For 2022, Executive Directors will be granted PSP awards with a maximum face value of 150% of salary and vesting linked to JTC's TSR performance (relative to the FTSE 250 Index, excluding real estate and investment trusts) and EPS performance over a three year period.

REMUNERATION COMMITTEE REPORT CONTINUED

> "Communications Champions were appointed globally and reported to the Board feedback on themes including reward and recognition, wellbeing and benefits."

Wider workforce remuneration, reward, and the Employee Incentive Plan ("EIP")

We received regular and varied updates during the year relating to Group pay arrangements. In addition to those already outlined in the Committee's remit, detailed discussions included the review of the pay and benefits package which was undertaken during the year.

Shared ownership has been at the heart of the Company's culture for 24 years, since the first JTC Employee Benefit Trust (EBT) was formed in 1998. The EIP, like its predecessor schemes, is designed to recognise and reward long-term performance across the whole Group and its alignment of employees' and shareholders' interests is linked to multi-year business plans. Shared ownership has long proven to be a key differentiator for the Group in the professional services markets in which it operates. In addition to supporting a culture of client service excellence, JTC believes that its Shared Ownership model encourages greater employee engagement as demonstrated by the Company's excellent employee retention rates, with staff turnover of 9.2% in 2021 (below the self-imposed benchmark of 10%).

Following the successful delivery of the 'Odyssey era' business plan, in July 2021 the Committee was pleased to approve a grant of awards totalling c. £20m of shares under the EIP to all permanent employees of the Group (excluding the Executive Directors who are not eligible to receive awards under the EIP rules), further embedding our culture of 'Ownership for All'.

The EIP award was separated into two tranches: 50% being an 'upfront' award which vested at grant and 50% a deferred award in the form of a conditional right to receive shares on the first anniversary of grant, subject to the achievement of the applicable performance conditions. This was the first award since the EIP was adopted by the Board in 2018. Participants' individual awards were determined according to a points system based on seniority, length of service and individual performance. The awards were satisfied by the transfer of existing Ordinary Shares held by JTC PLC EBT to each participant.

Committee evaluation

The Committee's performance was assessed as part of the independently facilitated Board evaluation. Further details of the evaluation findings and outcomes may be found on page 63. I am pleased to report that the Committee is regarded as operating effectively and the Board continues to take assurance from the quality of the Committee's work.

LOOKING AHEAD

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

Throughout its discussions this year, the Board gave significant consideration to the importance JTC places on its ESG priorities. To reinforce the priority we place on ESG, in March 2022 the Remuneration Committee's Terms of Reference were reviewed and amended to incorporate ESG specific considerations. The Committee's Terms of Reference are available on our website. In line with JTC's strategy and Shared Ownership ethos, JTC's ESG performance was considered for the 2021 annual bonus and the Group business plan condition for the vesting 2019 PSP awards. The Committee will continue to seek to ensure ever closer alignment between these issues and its long-term strategy of managing risks by linking them to conditions on executive pay.

SHAREHOLDER ENGAGEMENT

The Committee welcomes questions from shareholders on its activities throughout the year. If you wish to discuss any aspect of this report, please contact me via the Company Secretary.

Shareholders are also encouraged to participate at the AGM by raising any questions in advance of the Meeting by emailing the Company Secretary at agm@jtcgroup.com by 11:00am on 19 May 2022.

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

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIRMAN
14 April 2021

WHO SUPPORTS THE COMMITTEE?

Following a comprehensive process the Committee appointed Mercer in October 2020 as independent external remuneration advisers. Mercer is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK (www.remunerationconsultantsgroup.com). Neither Mercer (nor its parent, Mercer Limited) has any other remuneration or unrelated connection with the Group and is considered to be independent by the Committee. Fees paid to Mercer totalled £88,398 (excluding expenses and VAT) for the 2021 financial year in their capacity as advisers to the Committee.

AGM SHAREHOLDER VOTING

Resolution	Votes for	Votes against	Votes withheld
Approve Directors' Remuneration Report (2021 AGM)	109,000,690	6,681,612	1
	94.22%	5.78%	
Approve Remuneration Policy (2019 AGM)	90,970,146	180,717	3,509,502
	99.80%	0.20%	

OUR REMUNERATION AT A GLANCE

Our remuneration at a glance

As outlined earlier in this report, the Remuneration Committee is proposing changes to the Remuneration Policy to better align with corporate governance best practices. Subject to shareholder approval at the Company's AGM on 31 May 2022, the Committee intends to implement the Policy as follows for our Executive Directors in 2022.

Pay element	Policy (subject to shareholder approval)	2022 implementation	Link to JTC's strategy
BASE SALARY	Reviewed annually with increases effective 1 January; reflects the individual's role and contribution. Increases take account of those applied across the wider workforce; the Committee retains discretion to award higher increases where appropriate to take into account market conditions, performance and/or development of the individual, a change in the responsibility and/or complexity of the role, new challenges or a new strategic direction for the Company.	– CEO: £447,615 (2.9% increase) – CFO: £326,116 (2.9% increase) – COO: £248,504 (2.9% increase)	Creating long-term value for our – shareholders – employees Being a responsible business
BENEFITS	Executives are entitled to receive life assurance, pension contributions, private medical insurance and other de minimis benefits in kind.	Unchanged from Policy.	
PENSION	Pension benefits for the incumbent Executive Directors will be aligned with the average percentage contribution or entitlement available to staff in the relevant market (5% in Jersey and UK) by the end of 2022. Prevailing contribution rates shall apply from the effective date of this Policy through to the end of 2022. Pension benefits for future Executive Directors will be aligned with the average percentage contribution or entitlement available to staff in the relevant market.	– CEO: 10% of salary (5% by the end of 2022) – CFO: 10% of salary (5% by the end of 2022) – COO: 5% of salary	
ANNUAL BONUS	Maximum opportunity: 100% of salary. Performance measures, targets and weightings are set at the start of the year. Performance is measured on financial, operational and individual goals. Malus and clawback provisions apply.	Award of up to 100% of salary for all Executive Directors. Performance will be measured based on tailored scorecards comprised of shared financial goals and strategic goals linked to the successful execution of JTC's business plan.	Creating long-term value for our – shareholders – employees – clients – intermediary partners – communities Being a responsible business
DEFERRED BONUS SHARE PLAN	All employees are eligible to participate; it is intended that Executive Directors, Senior Managers and certain managers below Senior Manager will participate. For Executive Directors, any bonus earned over 50% of salary is deferred into shares for 3 years. The Committee may include further financial and non-financial performance.	Unchanged from Policy.	A unique culture based on Shared Ownership

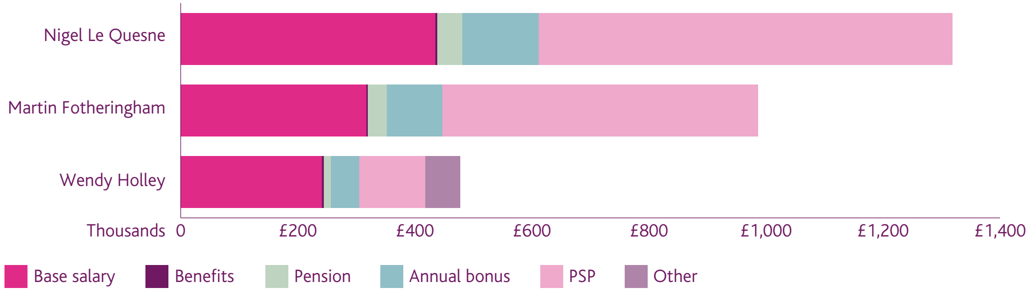
OUR REMUNERATION AT A GLANCE CONTINUED

Pay element	Policy (subject to shareholder approval)	2022 implementation	Link to JTC's strategy
PERFORMANCE SHARE PLAN	Normal maximum opportunity: 150% of salary (exceptional maximum of 250%). Performance is measured over TSR, EPS and delivery of the Group business plan over a period of 3 years. An additional two year holding period applies post-vesting. Malus and clawback provisions apply.	Award opportunity of up to 150% of salary for all Executive Directors. Performance will be measured by TSR and EPS over a period of 3 years.	Creating long-term value for our – shareholders – employees – clients – intermediary partners – communities Acquisitions Being a responsible business A unique culture based on Shared Ownership
EMPLOYEE INCENTIVE PLAN	All permanent employees of the Group are eligible to be granted an award, except for the Executive Directors. Awards are designed to incentivise high performance and may include performance measures.	Executive Directors are not eligible to participate.	A unique culture based on Shared Ownership
SHAREHOLDING GUIDELINES	Executive Directors are required to build or maintain a shareholding requirement equivalent to 150% of their base salary. Post-cessation, Executives are required to hold on to the lower of (1) their share ownership at departure or (2) their in-post share ownership guideline (i.e. 150% of annual base salary) for a period of 2 years.	In-post guidelines unchanged from Policy, post-cessation guidelines introduced.	A unique culture based on Shared Ownership Being a responsible business
MALUS AND CLAWBACK PROVISIONS	Recovery provisions may be applied to the annual bonus, DBSP and PSP in certain circumstances including: – materially inaccurate information – material breach of employment contract which would include, without limitation, any event or omission by the Executive that contributes to a material loss or reputational damage to the Company – material breach of any compromise agreement – material breach of fiduciary duties Cash bonuses will be subject to clawback, with deferred shares being subject to malus, over the deferral period. PSP awards will be subject to malus over the vesting period and clawback from the vesting date to the third anniversary of the relevant vesting date.	Unchanged from Policy.	Being a responsible business

2021 PERFORMANCE AT A GLANCE & REMUNERATION OUTCOMES

2021 Performance at a glance & Remuneration outcomes

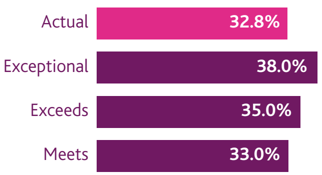
2021 SINGLE FIGURE REMUNERATION
Base Salary Benefits Pension Annual Bonus



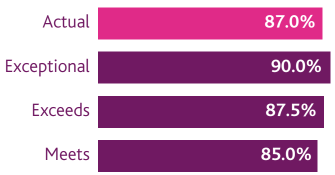
2021 Annual bonus award (further details on page 73 to 76)

Financial Metrics:
The above charts are based on the following assumptions:

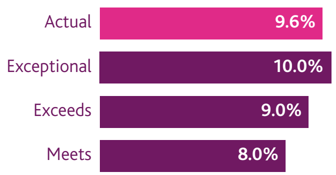
EBITDA margin



Cash conversion



Group net organic growth



Non-Financial Metrics:
The Non-Financial metrics includes Strategic Execution and Growth, Investor Relations, Risk and Compliance and ESG, People and Culture targets. The Committee reviewed these targets holistically; a description of the performance achieved against this metric is detailed on page 76.

The above charts are based on the following assumptions:

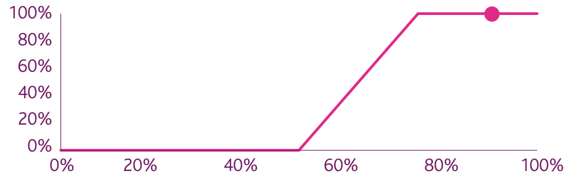
	Max. opportunity % of salary	Capped max. opportunity % of salary	Outturn £	Outturn (% Of salary)[1]
Nigel Le Quesne	100%	40%	£130,500	30%
Martin Fotheringham	100%	40%	£95,077	30%
Wendy Holley	100%	40%	£48,300	20%

1 The Executive Directors voluntarily elected to cap their 2021 annual bonus opportunity to 40% of salary to promote alignment with the wider workforce in regard to annual bonus payouts and the balance between short- and long-term incentives as part of the overall pay mix.

PSP (further details on page 77)

The 2019 PSP award was subject to performance conditions for a period ending on 31 December 2021. Final vesting of the TSR, EPS and Group Plan objectives are shown below:

TSR



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

JTC at 31 December 2021 ranked 88th percentile and therefore the TSR element has fully vested.

EPS

EPS threshold performance begins at 21.63p with 25% of the element vesting rising to full vesting for 27.04p.

JTC at 31 December 2021 achieved an EPS of 25.55p and therefore 72.5% of the EPS element of the award vests.

WENDY HOLLEY: GROUP BUSINESS PLAN
The Group Business Plan incorporates Group, Divisional (ICS and PCS), Development, Finance and Operational targets. The Committee reviewed all targets holistically and determined that this element would vest at 72% of maximum. A description of the performance achieved against this metric is detailed on page 77.

ANNUAL REPORT ON REMUNERATION

Annual Report on Remuneration

The Annual Report on Remuneration and the Annual Statement will be put to a Shareholder vote at the AGM on 31 May 2022. Sections of the report are subject to audit and, where applicable, these have been flagged.

SINGLE TOTAL FIGURE OF REMUNERATION FOR EXECUTIVE DIRECTORS (AUDITED)

The table below sets out the total remuneration payable to each Executive Director for the years ended 31 December 2021 and 31 December 2020.

Single total figure of remuneration		Base Salary[1]	Benefits[2]	Annual bonus[3]	PSP[4]	Other[5]	Pension[6]	Total	Total fixed	Total variable
Nigel Le Quesne	2021	£435,000	£2,913	£130,500	£706,504	n/a	£43,500	£1,318,417	£481,413	£837,004
	2020	£420,000	£2,913	£133,770	£420,001	n/a	£42,000	£1,018,684	£464,913	£553,771
Martin Fotheringham	2021	£316,925	£2,976	£95,078	£540,141	n/a	£31,693	£986,813	£351,594	£635,219
	2020	£306,000	£2,976	£90,500	£320,831	n/a	£30,600	£750,907	£339,576	£411,331
Wendy Holley	2021	£241,500	£2,954	£48,300	£113,423	£59,740	£12,075	£447,992	£256,529	£221,463
	2020	£230,000	£2,913	£31,395	£75,368	n/a	£11,500	£351,176	£244,413	£106,763

1 Base salaries were increased effective 1 January 2021; the figures above represent the increased salaries for the year as disclosed in the prior year Remuneration Report.
2 Benefits provided to Executive Directors include healthcare and annual membership provisions.
3 In 2021, the Executive Directors elected to cap their 2021 annual bonus opportunity to 40% of salary to promote alignment with the wider workforce in regard to annual bonus payouts and the balance between short and long-term incentives as part of the overall pay mix. In 2020, in line with the philosophy to promote greater alignment with the wider workforce as well as to demonstrate their appreciation, the Executive Directors voluntarily waived more than half of their earned bonus. As such, 2020 bonus payments were reduced by c.54%.
4 Estimated value of 2019 PSP award at 835 pence per share being the average of the closing mid-market share price in the 3 month period ending 31/12/2021. 2018 PSP values have been restated to reflect actual vesting of awards based on a share price of 616p on the date of vesting. The share price on the date of grant was 330p, therefore £195,001, £148,957 and £34,992 of the CEO, CFO and COO's 2018 awards were due to share price appreciation. PSP participants are not entitled to any dividends (or any other distribution) and do not have the right to vote in respect of Shares subject to an Award until the Award vests.
5 The COO received an Award of £59,740 in cash under the EIP in recognition of her contributions to JTC as an employee prior to her appointment as an Executive Director and appointment to the Board. The COO subsequently used this Award to fund her participation in the Placing of new Ordinary Shares announced on 6 October 2021.
6 Executives receive contributions to the Group Occupational Retirement Plan which is a matched defined contribution plan of up to 10% of salary. Wendy has elected to receive a contribution of 5% of her salary. Contributions will be aligned to the workforce at a rate of 5% of salary by the end of 2022.

2021 ANNUAL BONUS (AUDITED)

The table below summarises our annual bonus framework for 2021 and includes measures that the Committee believes provide a fair balance of rewarding financial and non-financial performance. Each Executive has a personal scorecard with shared financial and non-financial objectives.

Annual bonus scorecard

Performance is assessed against performance ranges that are defined at the beginning of each performance year, in line with the business plan and investor guidance, as applicable.

Financial measures	**Strategic measures**	**Underlying EPS**	**Strategic execution and growth**
Net organic growth	**Investor relations**	**EBITDA margin**	**Risk and compliance**
Cash conversion	**ESG, people and culture**	**Efficient capital allocation**	**Commercial & operational efficiency improvements**

The detail of the measures, targets and weightings may be varied by the Committee year-on-year based on the Company's strategic priorities. The achievement of the objectives is measured on a points basis against determination of whether goals were met and where performance exceeded expectations or was deemed exceptional.

ANNUAL REPORT ON REMUNERATION CONTINUED

BONUS SCORECARD – FINANCIAL MEASURES (AUDITED)

The table below sets out performance against the financial targets under the annual bonus scorecard which comprise a weighting of 60% for the CEO and CFO and 50% for the COO on a combination of the following measures, with performance ranges set based on a sliding scale of challenging targets.

Group financial metrics	Threshold	Target	Maximum	2021 Performance
Underlying EPS performance versus financial consensus	Lower quartile of average consensus range	Median of average consensus range	Upper quartile of average consensus range	Achieved second quartile of average consensus range.
Net organic growth	8%	9%	10%	Achieved net organic growth of 9.6%, above the target performance.
EBITDA margin	33%	35%	38%	Achieved overall EBITDA margin of 32.8%, just falling short of 33% at threshold.
Cash conversion (in line with guidance)	85%	87.5%	90%	87% cash conversion, in line with guidance range.
Efficient capital allocation	ROCE / WACC >1.25	ROCE / WACC >1.33	ROCE / WACC 1.5	ROCE / WACC of 1.43, which was above the target level of performance.
Commercial & operational efficiency improvements	Demonstrate sound strategic and commercial judgement in the acquisition selection process and effect swift integration strategies			Successful integration of INDOS and RBC Cees (ES) in the year, with INDOS providing an exceptional strategic acquisition in line with JTC's Galaxy plan and ES providing outstanding financial returns, including a margin improvement whereby it moved from being a loss making business to one that was achieving normal JTC margins by the final month of 2021.
	Demonstrate revenue uplifts/cross sales which support organic growth			The Chief Commercial Officer remit has been widened with the implementation of strategically important programmes to drive further organic growth. Additionally, there have been more than £1m of additional cross sales in 2021, almost twice as much as in 2020.
	Demonstrate three technology enabled solutions effecting commercial improvements			Commercial improvements established through the successful implementation of Stock Reconciliation workflow software, Blueprint 2 NAV automation, and Bank reconciliation technology.

ANNUAL REPORT ON REMUNERATION CONTINUED

BONUS SCORECARD – FINANCIAL MEASURES (AUDITED)

The table below sets out performance against the non-financial targets under the annual bonus scorecard, which comprise a weighting of 40% for the CEO and CFO and 50% for the COO. Non-financial performance categories reflect short-term operational and strategic priorities of the business that are critical to our continued success and are assessed based on key milestones or performance in line with our business plan on a combination of the following measures.

Non-financial metrics		2021 Group objectives
Strategic execution and growth	✓	In accordance with our Jurisdictional Strength Index (JSI), a proprietary system that grades both the current JTC internal strength and overall market attractiveness of a given jurisdiction, we achieved overall improvements of 7.5% and 4% for the ICS and PCS Divisions, respectively, across all jurisdictions. This resulted in an overall improvement of 6% across the entire business.
	✓	The acquisition of ES, a market-leading provider of employer solutions, significantly enhanced the JTC's service portfolio. Through JTC's integration process, the Company has been able to transform ES into a profitable business, in line with typical JTC margins, by the end of 2021.
	✓	Recent acquisitions of SALI Fund Services, Segue Partners, and Essential Fund Services reflect strategically important and high-quality additions that further expand JTC's footprint and growth potential in the United States; all acquisitions have had a positive start with strong levels of early engagement and cultural alignment with JTC.
	✓	Recent completed acquisition of Ballybunion Capital enhances JTC's fund services presence in Ireland and, in conjunction with INDOS, accelerates JTC's future growth in the Irish AIFM market.
	✓	JTC continues to establish a growing presence in the Middle East. In 2021, JTC appointed an Associate Director within its PCS division to bolster its team in Dubai.
Investor relations	✓	JTC continued to establish deep relationships with institutional investors and other relevant capital markets participants, completing Investor Roadshows in April and September; plus fundraising roadshows in April and October, to reinforce JTC's strategic vision for the Galaxy era and long-term investment case. During 2021, JTC retained its shareholders and expanded its register widely with a total of 58 new investors from both Europe and the US.
	✓	JTC also proactively engaged with all of the top 20 institutional shareholders (representing 67.9% of the issued and outstanding JTC shares as of December 10, 2021, this being the date of reporting of the final share register analysis of 2021) and completed 30 one-to-one meetings with institutional target non-holders to seek feedback and promote an active and constructive dialogue about the JTC business.
	✓	JTC continued to strengthen the quality of its financial reporting and communications – consistent and overwhelmingly positive written feedback comments received from 52 institutions across the full year and interim results.
Risk and compliance	✓	There were no material risk events or losses during 2021. Furthermore, the enhanced Group Risk Appetite Statement was discussed and approved by the Board during the year which provides JTC with a robust basis in continuing to mature the risk framework consistent with organisation size, development and growth.
	✓	The Group Risk Register has continued to evolve with the introduction of improved criteria aimed at achieving consistent assessment of risk levels. The implementation of Group-wide risk escalation procedures enables better assessment of the impact and likelihood of key risks with clearer identification of principal and emerging risks.
	✓	JTC implemented a new operational model to further strengthen its enterprise risk management framework. The model clearly delineates three areas of risk management responsibility, incorporating an independent third line of defence (Internal Audit or "IA"). Progress was made in adapting procedures to differentiate clearly between first and second line activities (e.g. new business approval and acceptance) and clearer risk ownership accountabilities with risk management being a key measure for employee performance.
	✓	Appointment of a new strategic role, the Group Head of Regulatory Affairs, to enhance the approach to regulatory engagement. JTC has sought to build upon strong regulatory relationships in key jurisdictions and received good outcomes from routine regulatory inspections – a strong foundation and performance in light of the increased regulatory scrutiny across the industry during 2021. Additionally, relationship management ensured more measured regulatory dialogue in key markets.

ANNUAL REPORT ON REMUNERATION CONTINUED

Non-financial metrics		2021 Group objectives
ESG, people and culture	✓	In 2021, JTC was named the winner of a major industry award for 'Best Overall Performance in Fostering Employee Share Ownership' Award (for companies with 501 – 5,000 employees) by ProShare, which serves as a strong endorsement of JTC's approach to embedding shareholder ownership across the organisation.
	✓	During the year, JTC built on their established ESG framework, as disclosed in the 2020 Annual Report. In 2021, JTC met its target to become a Carbon Neutral+ organisation, third party accredited by Carbon Footprint, and through the purchase of high quality carbon offsets became a certified Carbon Neutral+ organisation prior to the year-end. JTC also proactively sought feedback on its ESG strategy and disclosures from our largest shareholders and the feedback on JTC's approach and progress relative to peers and similar size companies was overwhelmingly positive. JTC continues to improve the quality of ESG disclosure. Including through a newly created ESG section on the JTC website.
	✓	JTC completed and tested Phase 1 of the talent management framework which includes a system based succession planning process designed to secure the future of key positions across the organisation.
	✓	Employee turnover (for regretted leavers) was below the self-imposed benchmark of 10%, demonstrating JTC's strong employee retention across all jurisdictions.
	✓	Continued to reinforce distinctive 'Ownership for All' culture. All measures in relation to JTC's Shared Ownership culture were met, including a successful distribution of the Odyssey era EIP award. JTC launched a self-service portal to simplify and promote share ownership by enabling employees to easily access and manage their awards.
	✓	JTC also delivered the global roll out of the Divisional Balanced Scorecard, as planned, and also launched the 'People' KPI for the Group to further reinforce the Company's strategic focus on people and culture.

2021 ANNUAL BONUS OUTCOMES FOR EXECUTIVE DIRECTORS

The Committee conducted a comprehensive analysis in respect of the progress achieved against the financial and non-financial measures. Overall, it was concluded that 2021 was a successful year, marked by strong performance financially and execution against our five strategic areas.

The Committee assesses the performance delivered for each financial and non-financial metric against pre-established targets to derive an overall holistic performance grade for the total scorecard, in line with JTC's 10-point range which is used throughout the organisation which also incorporated expected behaviours. The Committee awarded a score of 8.5 out of 10 for the CEO and CFO and 8.0 out of 10 for the COO.

Each Executive Director is eligible for a maximum annual bonus opportunity of 100% of salary. For 2021, consistent with the 'stakeholder mentality' and a desire to promote a shared alignment with the remuneration framework in place for the wider Group, the Executive Directors elected to cap their maximum opportunities to 40% of salary. The table below sets out the basis on which the potential 2021 annual bonus award is calculated as a % of maximum opportunity and also the outturns with the self-nominated cap of 40% of salary.

TOTAL SCORECARD PERFORMANCE GRADE

Bonus % award	6	7	8	9	10
All Executives based on Policy Maximum	30%	50%	67%	83%	100%
Capped at 40% for 2021	10%	19%	20%	39%	40%

The following table sets out the outcome of the 2021 annual bonus, based on the total scorecard performance grade and reflecting the elected 40% of salary cap for each Executive Director:

	Max opportunity (% of salary)	2021 capped opportunity (% of salary)	Outturn (% of salary and max)	Outturn £
Nigel Le Quesne	100%	40%	30%	£130,500
Martin Fotheringham	100%	40%	30%	£95,077
Wendy Holley	100%	40%	20%	£48,300

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

PSP AWARDS VESTING IN 2021 (AUDITED)

The 2019 PSP award is subject to financial and business plan performance conditions, as applicable, ending on 31 December 2021. We have set out the final vesting details and related performance assessment considerations of the award below.

All Executive Directors are subject to the financial vesting conditions, including relative TSR and EPS performance. For the Chief Executive Officer and the Chief Financial Officer, 100% of vesting is subject to relative TSR and EPS performance. For the Chief Operating Officer, 67% of vesting is relative to TSR and EPS performance and the balance is linked to a Group business plan condition. Please see the section below for further details.

- The relative TSR performance condition underscores our commitment to share price outperformance. Median TSR performance versus the FTSE Small Cap Index results for threshold vesting (i.e. 25% of maximum), rising to full vesting for upper quartile performance versus the FTSE Small Cap Index. This relative TSR benchmark was the relevant FTSE Index at the time the PSP awards were granted in 2019, which was prior to JTC's admission to the FTSE 250 Index. JTC's TSR performance to 31 December 2021 was positioned at 88th percentile against the FTSE Small Cap Index. As such, there is full vesting of the relative TSR element.
- The EPS performance condition was originally set with reference to available analyst forecasts. EPS of 21.63p results in threshold vesting (i.e. 25% of maximum) and EPS of 27.04p qualifies for full vesting. For the year ending 31 December 2021, JTC's underlying EPS was 25.55p and as such this element of the award qualified for 72.5% vesting.

For the Chief Operating Officer, 33% of vesting is tied to the Group business plan performance condition, further described below.

In 2021, following the completion of the Odyssey Era business plan (2018 – 2020), JTC entered the new Galaxy Era for which a new 5-year business plan was established (2021 – 2025). The Group business plan performance condition was therefore assessed against JTC's delivery against its Odyssey Era business plan ambitions and important foundations that were established to enable early progress and delivery against its Galaxy Era business plan ambitions, as demonstrated by tangible outcomes and shareholder value creation over the performance period. Strategically, these included five business plan pillars (Financial, Risk, Management, Organic Growth and Inorganic Growth) and 12 business plan elements; each element was assigned a potential value of 10 as part of the performance assessment. The details of the Galaxy Era business plan are not disclosed in full as they are considered commercially sensitive; however, the salient highlights are described below.

The Committee reviewed JTC's performance highlights against the business plan ambitions over the past three years and was satisfied that vesting of 72% was warranted on account of the early progress and delivery against the Galaxy Era business plan, as well as shareholder value of 133% created over the three year period.

ANNUAL REPORT ON REMUNERATION CONTINUED

Pillars	Highlights over the 3-year performance period
Financial Becoming a $1bn+ business (by market capitalisation) to achieve the scale required to enable capital raising and additional growth funding; delivering a margin of at least 33%, organic growth of c. 8 – 10% per annum at a Group level, and a long-term cash conversion rate of c. 85 – 90%.	3-year average performance: – Operating margin: 33.8% – Organic growth: 8.6% – Cash conversion: 88.6% – Following JTC's ascent to the FTSE 250 Index in November 2020, and the completion of two significant fundraises totalling c.£145 million, both demonstrating investor support for the business – Raising an increased banking facility of £225m in October 2021 to replace the existing £150m facility
Organic growth Capturing market share, expanding JTC's core service and product offerings, and expanding JTC's global network and platform.	Organic growth highlights include: – Double digit growth in new business wins delivered in each of the 3 years, exceeding business plan expectations – JTC has been consistently recognised as a trusted leader in trust and fund administration in Jersey, the UK, and MENA over the past 3 years, including recognition as a 'Tier 1' trust company for the fifth consecutive year by ePrivateClient and 'ESG Fund Administrator' of the year by Drawdown Awards – Developed and executed JTC's Future of Banking Strategy which aims to simplify the processing of legacy banking platforms to remove inefficiencies, reduce operating costs, and reduce risk through automation while also capitalising on new opportunities such as the provision of foreign exchange services – Material product and service offering expansion, including registrars services, depositary and operational due diligence services in the UK, new employee retirement and reward services, new corporate services in Ireland, new Manco services in Luxembourg, and specialised fund administration and IDF structuring services in the US market
Inorganic growth Successfully completing and integrating acquisitions; increasing the scale in existing markets through external growth opportunities; and entry into new markets.	Inorganic growth highlights include: – Completed 13 deals over the 3-year performance period in line with JTC's commercial investment filters; integration is ongoing for acquisitions that were completed or announced in 2021 – Successfully increased scale in strategically important markets, including growth of the UK team by nearly tenfold and near doubling of the Luxembourg team over the past three years – Continued investment in the U.S. fund administration market, with the acquisitions of NESF, Segue, SALI, and EFS – Continued investment in Ireland with the acquisition of Ballybunion and INDOS – New and innovative solutions delivered to drive M&A integration, operational efficiencies, and margin improvement, including new Stock Reconciliation Workflow (SRW) software, the Blueprint 1 and 2 programmes
Risk Maturing JTC's cybersecurity framework to ensure continued security of data records and systems. Ensuring the Company meets the regulatory and compliance requirements applicable to JTC and the expectations of its clients and investors.	– Continued to evolve JTC's cyber strategy, including the adoption of the National Standards & Technology (NIST) Cyber Security Framework; the alignment of JTC's Policies, Standards, and Procedures to ISO 27001 Standards; and the achievement of advanced industry certifications and qualifications related to cyber security risk management
Management Minimise staff turnover. Maximise staff potential. Becoming an 'employer of choice'. Becoming carbon neutral by the end of 2021.	– 3 year average labour turnover rate remains well below the self-imposed benchmark of 10%, demonstrating a culture of high engagement at JTC – Continued evolution of the JTC Academy over the past 3 years, including investment in key initiatives such as leadership and management development programmes; induction and skills development; Group-wide talent development activities; and sponsorship of professional education opportunities to support the lifelong learning and growth of employees around the world – JTC was also recognised by ProShare for its distinctive Shared Ownership culture in 2021 – Successfully achieved target of becoming Carbon Neutral by the end of 2021; achievement of Carbon Neutral+ accreditation certifies that JTC has offset more than its calculated carbon emissions each year

ANNUAL REPORT ON REMUNERATION CONTINUED

The table below summarises the vesting outcomes based on performance assessed for each measure over the performance period ended 31 December 2021.

	Performance measures		Indicative vesting (% of element)	Total indicative vesting (% of maximum)	Total indicative vesting (No. Shares)
	Measure	Weighting			
Nigel Le Quesne	TSR	50%	100%	86%	84,611
	EPS	50%	72.5%		
Martin Fotheringham	TSR	50%	100%	86%	64,688
	EPS	50%	72.5%		
Wendy Holley	TSR	33%	100%	82%	13,584
	EPS	33%	72.5%		
	Group Business Plan	33%	72%		

2021 PSP AWARDS (AUDITED)

During the year ended 31 December 2021, Executive Directors received a conditional award of shares which may vest after a three year performance period ending on 31 December 2023, based on the achievement of stretching performance conditions. The maximum levels achievable under these awards are set out in the table below:

	Max. Award (% of salary)	Max. Award[1] (£)	No. Shares	Performance measures		Holding period[2]
				Measure	Weighting	
Nigel Le Quesne	150%	£652,500	99,466	TSR	50%	2 years
				EPS	50%	
Martin Fotheringham	150%	£475,388	72,467	TSR	50%	2 years
				EPS	50%	
Wendy Holley	150%	£362,250	55,221	TSR	50%	2 years
				EPS	50%	

1 Face value of award based on the 3-day average share price to 20 May 2021 being £6.56.
2 Executive Directors are required to hold vested awards for a period of two years following vesting so as to further strengthen the long-term alignment of Executives' remuneration packages with shareholders' interests and, if required, to facilitate the implementation of provisions related to clawback.

ANNUAL REPORT ON REMUNERATION CONTINUED

The targets for the 2021 PSP award are outlined below. EPS targets are set with reference to available analyst forecasts and projected in line with expected organic growth.

	Performance over the period	% of element vesting			Performance over the period	% of element vesting	
TSR vs. FTSE 250 index (excluding real estate and investment trusts)	Below Median	0%	Straight-line vesting occurs between points	Underlying EPS	Below 30p per share	0%	Straight-line vesting occurs between points
	Equal to Median	25%			30p per share	25%	
	Equal or Exceeds Upper Quartile	100%			Equal to Exceeds 37.5p per share	100%	

STATEMENT OF DIRECTORS' SHAREHOLDINGS AND INTERESTS IN SHARES (AUDITED)

As at 31 December 2021 the Directors have significant shareholdings in the Company, as follows:

		Unvested shares			Shareholding		
		With performance conditions	Without performance conditions				
	Shares legally owned as at 31 December 2021[3]	PSP awards	DBSP awards	% Interest in voting rights	Requirement (% of salary)	Shareholding as at 31 December 2021 (% of salary)[4]	Requirement met?
Executive Directors							
Nigel Le Quesne[1]	10,577,310	297,328	–	7.17%	150%	22,899%	Yes
Martin Fotheringham[2]	677,472	220,151	–	0.46%	150%	1,958%	Yes
Wendy Holley	367,107	85,546	–	0.25%	150%	1,716%	Yes
Non-Executive Directors							
Mike Liston	45,452	n/a	n/a	0.03%	n/a	n/a	n/a
Dermot Mathias	25,863	n/a	n/a	0.02%	n/a	n/a	n/a
Michael Gray	17,242	n/a	n/a	0.01%	n/a	n/a	n/a
Erika Schraner	16,129	n/a	n/a	0.01%	n/a	n/a	n/a

1 Includes Ordinary Shares held by Ocean Drive Holdings Limited, a company in which Nigel Le Quesne is beneficially interested.
2 As announced by the Company on 4 June 2021, Martin Fotheringham sold 46,800 shares on 3 June 2021 as part of a personal estate planning exercise. Mr. Fotheringham sold an additional 723,869 shares on 9 June 2021 as part of this same exercise. Mr. Fotheringham subsequently purchased 200,000 Shares on 23 July 2021 and 87,500 Shares on 20 August 2021 in the market. Mr. Fotheringham participated in the Placing of the Company's Shares announced on 6 October 2021, acquiring 389,972 Shares.
3 In accordance with LR 9.8.6. there have been no further changes in the interests of each Director during the period, nor in the period from 1 January 2022 to the date of this report.
4 Share price as of 31 December 2021 was £9.16.

ANNUAL REPORT ON REMUNERATION CONTINUED

TOTAL SHARE AWARDS GRANTED (AUDITED)

The table below sets out details of the Executive Directors' outstanding share awards as at 31 December 2021.

	Award	No. Shares[1,2]	Max. Award as % of salary	Value at date of grant	% Vesting at threshold performance	Performance period[3]	Hold[4]
Nigel Le Quesne	PSP 2019	98,100	75%	£294,300	25%	01.01.2019 – 31.12.2021	2 years
	PSP 2020	99,762	100%	£420,000	25%	01.01.2020 – 31.12.2022	2 years
	PSP 2021	99,466	150%	£652,500	25%	01.01.2021 – 31.12.2023	2 years
	Total	297,328					
Martin Fotheringham	PSP 2019	75,000	75%	£225,000	25%	01.01.2019 – 31.12.2021	2 years
	PSP 2020	72,684	100%	£306,000	25%	01.01.2020 – 31.12.2022	2 years
	PSP 2021	72,467	150%	£475,388	25%	01.01.2021 – 31.12.2023	2 years
	Total	220,151					
Wendy Holley	PSP 2019	16,667	25%	£50,000	25%	01.01.2019 – 31.12.2021	2 years
	PSP 2020	13,658	25%	£57,500	25%	01.01.2020 – 31.12.2022	2 years
	PSP 2021	55,221	150%	£362,250	25%	01.01.2021 – 31.12.2023	2 years
	Total	85,546					
	Total	603,025					

1 PSP Share awards are nil cost (in the case of existing shares) or the nominal value of the Shares if newly issued. All PSP awards made to date are nil cost.
2 Number of shares awarded calculated based on the average of the middle market quotations in the three immediately preceding days prior to the date of Grant (2019: £3.00, 2020: £4.21, 2021: £6.56).
3 The vesting of awards is subject to continued employment and achievement of performance conditions over the performance period. The awards will vest on the date the Committee determines the extent to which performance conditions have been satisfied.
4 Executive Directors are required to hold vested awards for a period of two years following vesting so as to further strengthen the long-term alignment of Executives' remuneration packages with shareholders' interests and, if required, to facilitate the implementation of provisions related to clawback.

LOSS OF OFFICE PAYMENTS (AUDITED)

No loss of office payments were made during the year.

PAYMENTS TO PAST DIRECTORS (AUDITED)

No payments to past Directors were made during the year.

FEES RETAINED FOR EXTERNAL NON-EXECUTIVE DIRECTORSHIPS

Executive Directors may hold positions in other companies as Non-Executive Directors subject to the prior approval of the Chairman. Executive Directors are also permitted to retain fees for these appointments subject to Board approval. None of the Executive Directors currently hold positions in other companies.

ANNUAL REPORT ON REMUNERATION CONTINUED

RELATIVE SPEND ON PAY

The table below shows the relative 2021 expenditure of dividends against employee costs compared to 2020. These figures are underpinned by amounts from the Notes to the Financial Statements.

Year-on-year increases	2021	2020	Annual increase %
Dividends paid in financial year	£9.1m	£7.1m	28%
Total employee costs[1]	£89.5m	£57.4m	56%

1 Employee costs in 2021 increased year-over-year due to the vesting of the initial 50% tranche of the first EIP awarded since the adoption of the plan by the Board following JTC's IPO in 2018, and an accounting provision for the vesting of the second 50% tranche in July 2022, subject to the achievement of the applicable performance conditions. Excluding this expense of c.£14.5m, the annual increase in employee costs of 31% would be in line with the increase in dividends.

ALIGNMENT BETWEEN PAY AND PERFORMANCE

Total shareholder return ("TSR") performance

The following graph shows, for the financial year period ended 31 December 2021 and for each of the financial year ends since JTC Group's IPO, the TSR on a holding of JTC's ordinary shares of the same kind and number as those by reference to which the FTSE 250 is calculated. The Committee feels that the FTSE 250 is the appropriate comparator index given JTC's admission to the FTSE 250 on 16 November 2020. However, we note that our 2020 PSP award will measure performance over the FTSE Small Cap in line with our prior constituency within that index.

The TSR graph represents the daily value of £100 invested in JTC Group on 12 March 2018, compared with the value of £100 invested in the FTSE 250 Index over the same period. JTC's TSR since IPO has grown by 227% which is significantly higher than both the FTSE 250 (28% growth) and FTSE Small Cap (44% growth). This strong growth continues to reinforce JTC's solid investment case since our admission to the FTSE 250 Index in November 2020, including the success of the Odyssey Era which has positioned JTC for further growth into the new Galaxy Era.

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

	2021	2020	2019	2018
Single total figure of remuneration	£1,318,417	£1,018,684	£630,697	£538,239
Annual bonus award against maximum %	30%[1]	42%[2]	67%[2]	80%
PSP vesting rates against maximum opportunity %	86%[3]	100%[3]	n/a	n/a

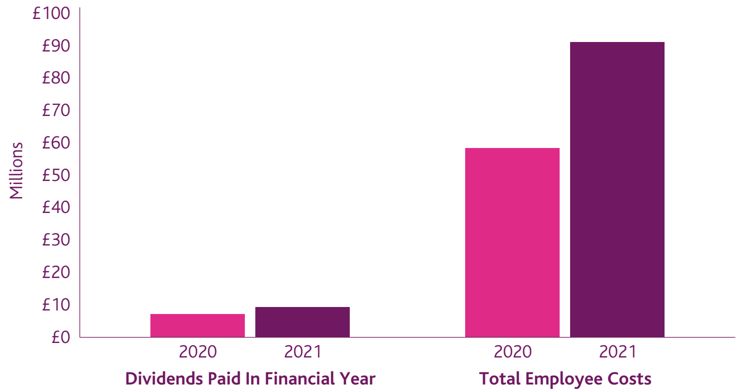
1 The Executive Directors elected to cap their 2021 annual bonus opportunity to 40% of salary. The bonus outturn for the CEO was 30% of salary; the maximum shown here reflects the outturn against the Policy maximum of up to 100%.
2 Represents the value of the annual bonus following the voluntary reduction by the CEO. In 2020 and 2019, the CEO waived part of his bonus (representing c.38% and 15% of salary in each of the respective years) in order to better align with the remuneration outcomes for the wider workforce; the funds waived were reinvested in the wider bonus pot for employees.
3 Reflects the final PSP vesting of the 2018 and 2019 PSP awards.

Percentage change in Director Remuneration

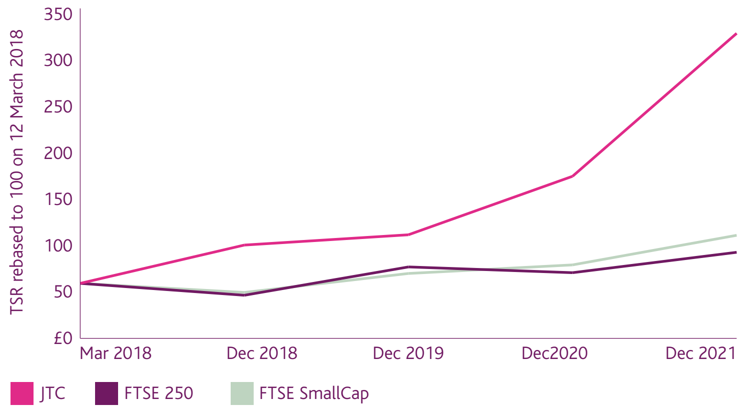
The table below shows the percentage year-on-year change in salary, benefits and annual bonus for all Directors compared to the average of all employees in the UK, which JTC believes is the most appropriate peer group as it provides consistency with the CEO pay ratio methodology.

JTC made an acquisition in 2021 and the number of employees in the UK quadrupled since 2020. As such, the data set of UK employees has changed significantly given that historically the number of employees in the UK was relatively small. Due to legacy arrangements in the acquired businesses, the average salary for the larger employee population is lower and benefits have increased. However, annual bonuses for the workforce have increased slightly year-on-year.

Relative importance of spend on pay



JTC's TSR vs. FTSE Small Cap and FTSE 250



ANNUAL REPORT ON REMUNERATION CONTINUED

The Executive Directors received salary increases within the year; increases in benefits are minimal and reflect the year-on-year increase in cost for the same benefits. The Executives elected to cap their 2021 annual bonus opportunity to 40% of salary to promote alignment with the wider workforce in regard to annual bonus pay-outs and the balance between short and long-term incentives as part of the overall pay mix. As a result, the CEO's bonus is slightly lower compared with 2020, whilst the CFO's is slightly higher and as a result of his performance in the period. The COO's bonus has increased year-on-year; however, this reflects her higher bonus opportunity than compared with last year.

	2021		
	Salary %	Benefits %	Annual bonus %
Executive Directors			
Nigel Le Quesne	3.6%	0.0%	-2.4%
Martin Fotheringham	3.6%	0.0%	5.1%
Wendy Holley	5.0%	1.4%	53.8%
Non-Executive Directors			
Mike Liston	0.0%	n/a	n/a
Dermot Mathias	0.0%	n/a	n/a
Michael Gray	0.0%	n/a	n/a
Erika Schraner	0.0%	n/a	n/a
Average pay for UK employees	-11.4%	76.9%	4.4%

CEO PAY RATIO

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

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

– Determine the total FTE remuneration for all the Company's UK employees for the relevant financial year
– Rank those employees from low to high, based on their total FTE remuneration
– Identify the employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points. These employees were identified as of 31 December 2021.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	Total FTE remuneration for all UK employees	41	29	17
2020	Total FTE remuneration for all UK employees	29	21	11

1 Figures have been restated to account for changes to the single figure in 2020 in relation to the calculation of benefits and PSP.

ANNUAL REPORT ON REMUNERATION CONTINUED

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

This ratio shows that the CEO's pay is 29x greater than the median average of all of JTC's UK employees compared to 21x in 2020. The year-on-year increase in median pay ratio is due partially to a change in UK incumbent employees which has reduced the absolute pay quartiles. As referenced, there is a small subset of employees in the UK and as such the pay quartiles are sensitive to changes in composition.

In 2021, the CEO's increase in pay was driven primarily by the vesting of the 2019 PSP award which vested at 86% of maximum. In addition, JTC's share price has seen strong growth since the date of grant for the award and had grown in value by 150%. We anticipate that in future the ratios will continue to be volatile in line with JTC's financial performance and share price performance.

SINGLE TOTAL FIGURE OF REMUNERATION FOR NON-EXECUTIVE DIRECTORS (AUDITED)

The table below sets out the total remuneration payable to each Non-Executive Director for the year ended 31 December 2021.

Single Total Figure Of Remuneration		Chairman	BASE	SID	Audit & Risk Committee Chair	Remuneration Committee Chair	Total
Mike Liston	2021	£100,000	n/a	n/a	n/a	n/a	£100,000
	2020	£100,000	n/a	n/a	n/a	n/a	£100,000
Dermot Mathias	2021	n/a	£60,000	£10,000	£5,000	n/a	£75,000
	2020	n/a	£60,000	£10,000	£5,000	n/a	£75,000
Michael Gray	2021	n/a	£60,000	n/a	n/a	£10,000	£70,000
	2020	n/a	£60,000	n/a	n/a	£10,000	£70,000
Erika Schraner	2021	n/a	£60,000	n/a	n/a	n/a	£60,000
	2020	n/a	£60,000	n/a	n/a	n/a	£60,000

IMPLEMENTATION OF THE REMUNERATION POLICY DURING 2022

This section provides details of how the Remuneration Policy will be implemented for 2022 subject to gaining shareholder approval of the revised Remuneration Policy at the forthcoming AGM.

BASE SALARY

The proposed annual rates of base salaries of the Executive Directors from 1 January 2022 are detailed below; the average increase for the wider workforce is 2.9%.

Group financial metrics	Base salary	Effective date	Increase	Reason
Nigel Le Quesne	£447,615	1 January 2022	2.9%	In line with that of the wider workforce
Martin Fotheringham	£326,116	1 January 2022	2.9%	In line with that of the wider workforce
Wendy Holley	£248,504	1 January 2022	2.9%	In line with that of the wider workforce

ANNUAL REPORT ON REMUNERATION CONTINUED

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

BENEFITS AND PENSION

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

Executive Directors are eligible for matched pension contributions up to 10% of salary. The CEO and CFO currently receive a contribution of up to 10% of salary, the COO has elected to receive a pension contribution equal to 5% of her salary. Following a review in terms of the alignment of pension contributions between incumbent Executives and the wider workforce, the Committee has proposed that by the end of 2022 pension contributions for incumbent and future Executive Directors will be fully aligned with that available to the workforce. The current average rate available for the workforce in the UK and Jersey is 5% of salary.

ANNUAL BONUS

As noted, Executive Directors will have a maximum annual bonus opportunity for 2022 of up to 100% of salary as per the Policy. The maximum annual bonus opportunity, which, in all cases will be no more than the maximum permitted by the Policy, will be agreed annually with input from the Executive Directors, taking into consideration factors such as, but not limited to, the alignment of payout outcomes and pay mix with the wider workforce.

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

Group financial metrics	Nigel Le Quesne	Martin Fotheringham	Wendy Holley
Financial metrics	60%	60%	50%
Underlying EPS	✓	✓	✓
Group net organic growth	✓	✓	✓
EBITDA margin	✓	✓	
Cash conversion	✓	✓	✓
Efficient capital allocation	✓	✓	
Deliver commercial and operational efficiency improvements	✓	✓	✓
Non-financial metrics	40%	40%	50%
Strategic execution and growth	✓	✓	✓
Investor relations	✓	✓	
Risk and compliance	✓	✓	✓
ESG, people and culture	✓	✓	✓

ANNUAL REPORT ON REMUNERATION CONTINUED

PERFORMANCE SHARE PLAN

For 2022, Executive Directors will be granted PSP awards with a maximum face value of 150% of salary and vesting linked to JTC's TSR performance (relative to the FTSE 250 Index, excluding real estate and investment trusts) and EPS performance over a three year period. The Committee believes that the maximum long-term incentive award provides a strong incentive for management to focus on executing the global growth strategy to position JTC firmly as a leader in fund, corporate, and private client services. It also rewards the achievement of sustainable per share returns, in a manner that is aligned with the long-term shareholder interests.

Under the PSP, performance share awards will be made in April 2022, in line with our shareholder approved Policy. The number of shares over which awards will be made is determined by the 3-day average share price prior to date of award. The Committee intends to make PSP grants to each of the Executive Directors as set out below, subject to shareholder approval, with values based on salaries effective 1 January 2022 as set out below. Actual award values and shares granted will be disclosed in next year's Annual Report.

Group financial metrics	% of salary	PSP value £	TSR	EPS
Nigel Le Quesne	150%	£671,423	50%	50%
Martin Fotheringham	150%	£489,174	50%	50%
Wendy Holley	150%	£372,756	50%	50%

These performance share awards will be subject to three year targets for the following measures: relative TSR; underlying EPS. The targets for the 2022 PSP award are outlined below:

	Performance over the period	% of element vesting			Performance over the period	% of element vesting	
TSR vs. FTSE 250 index (excluding real estate and investment trusts)	Below Median	0%	Straight-line vesting occurs between points	Underlying EPS	Below 31p per share	0%	Straight-line vesting occurs between points
	Equal to Median	25%			31p per share	25%	
	Equal or Exceeds Upper Quartile	100%			Equal to Exceeds 38.7p per share	100%	

SHAREHOLDING REQUIREMENTS

Executive Directors are required to build or maintain a shareholding requirement equivalent to 150% of their base salary. All the Executive Directors comply with this requirement. To align with the requirements of the UK Corporate Governance Code and emerging best practices, the Committee has decided to adopt post-employment guidelines whereby Executives are required to hold the lower of the in-post shareholding requirement and the incumbent's level of holding on exiting the business for a period of 2 years. These guidelines are compliant with the IA's guidelines and echo our ethos of Shared Ownership and wealth creation for all employees.

ANNUAL REPORT ON REMUNERATION CONTINUED

NON-EXECUTIVE DIRECTORS' FEES FOR 2022

The Committee reviewed Non-Executive Director fees during 2021. Fees have not been increased since IPO and the Committee was keen to ensure that the additional time and responsibilities spent by the Board members as a result of JTC's significant growth in recent years is recognised. As such, fees for the Chairman and additional fees for the roles of Senior Independent Director and Nomination Committee Chair will be increased. For simplicity, the additional fees for SID and Committee Chairs will be equal. The table below summarises fees for 2022:

Fees	With effect from 1 January 2021	With effect from 1 January 2022
Chairman	£100,000	£120,000
Base	£60,000	£60,000
SID	£10,000	£10,000
Audit & Risk Committee Chair	£5,000	£10,000
Remuneration Committee Chair	£10,000	£10,000
Nomination Committee Chair	n/a	£5,000

SERVICE CONTRACTS

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

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

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIRMAN
14 April 2022

Remuneration Policy

INTRODUCTION

This section sets out JTC's Remuneration Policy for Executive and Non-Executive Directors. The Policy was last approved by shareholders at the 2019 AGM following JTC's IPO. Since IPO, JTC has grown significantly as reflected in its admission to the FTSE 250. The Committee has since proposed a small number of minor changes to reflect best practice, as summarised in the Remuneration Committee Chair's letter. This new Remuneration Policy will be subject to a binding shareholder vote at the 2022 AGM and, subject to Shareholder approval, will become effective from the date of the AGM and remain in effect for three years.

In reviewing the Policy, the Committee has been mindful of the hugely important role that our Executive Team – and especially the Executive Directors – plays in JTC's success: their commitment, strategic direction, and sustained ambition have driven the extraordinary value created in recent years for all of our shareholders. The Committee holds central to its philosophy on executive remuneration the principle that Director remuneration should be closely aligned with the Company's performance and reflect good corporate governance.

In this context, a significant proportion of the Committee's time in 2021 was spent on reviewing the existing Policy with Mercer, the Committee's advisors, to ensure that it continues to support JTC's ambitious growth strategy and is strongly performance-based (with an opportunity for exceptional performance to be appropriately rewarded); is aligned to shareholders' interests; helps retain, focus, reward our critical senior talent over the next phase of JTC's journey; and appropriately reflects market and best practice. Guidance from investor and proxy agencies was also taken into account by the Committee when incorporating the latest minor changes to the Policy.

Alongside the Executive Director reviews, the Policy on the Board and Non-Executive Director fees has been reviewed by the Remuneration Committee to ensure these remain appropriate, reflecting the significant increase in responsibilities and FTSE 250 market practice.

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

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

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

- our reward structure, performance measures and mix between fixed and variable elements is comparable with similar organisations
- rewards are aligned to the strategy and aims of the business
- the approach is simple to communicate to participants and Shareholders
- particular account has been taken of structures used within FTSE 250 companies, and other comparable organisations.

REMUNERATION POLICY CONTINUED

Element of remuneration	Purpose and link to Company strategy	Operation	Maximum opportunity	Performance metrics
SALARY	Provides a set level of remuneration sufficient to attract and retain Executives with the appropriate experience and expertise.	The Committee takes into account a number of factors when setting and reviewing salaries, including: – scope and responsibility of the role – any changes to the scope or size of the role – the skills and experience of the individual – salary levels for similar roles within appropriate comparators – value of the remuneration package as a whole	There is no set maximum to salary levels or salary increases. Salaries are reviewed annually with increases effective 1 January. Increases take account of those applied across the wider workforce; the Committee retains discretion to award higher increases where appropriate to take account of market conditions, performance and/or development of the individual, a change in the responsibility and/or complexity of the role, new challenges or a new strategic direction for the Company.	n/a
BENEFITS	Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are entitled to benefits in line with our policies which may include: – life assurance – private medical insurance – certain de minimis benefits in kind Executive Directors are also eligible to benefits offered to our wider employees. Where appropriate, our Global Mobility Policy may apply. This may include, but not be limited to, travel, relocation and tax equalisation allowances.	The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Company strategy. The maximum will be set at the cost of providing the benefits described. One-off payments such as legal fees or outplacement costs may also be paid if it is considered appropriate.	n/a
PENSION	Provides pension contributions sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are eligible to receive employer contributions to the Group Occupational Retirement Plan.	Pension benefits for both incumbent and future Executive Directors will be aligned with the average percentage contribution or entitlement available to staff in the relevant market (5% in Jersey and UK) by the end of 2022. From the effective date of this Policy through to the end of 2022, the former Policy rates will continue with a maximum contribution of 10% of salary. The Committee reserves the right to review this contribution in the event that the average workforce rate increases in the future.	n/a

REMUNERATION POLICY CONTINUED

Element of remuneration	Purpose and link to Company strategy	Operation	Maximum opportunity	Performance metrics
ANNUAL BONUS	Variable remuneration that rewards the achievement of annual financial, operational and individual objectives integral to Company strategy.	Objectives are set annually based on the achievement of strategic goals. At the end of the year, the Committee meets to review performance against the agreed objectives and determines payout levels. The Committee may adjust and amend awards in accordance with the annual bonus rules. Malus and clawback provisions may be applied in exceptional circumstances.	Maximum opportunity of 100% of annual base salary. In the event the Executive Directors are in receipt of a bonus equating to more than 50% of their annual base salary then this additional amount will be deferred into shares (in the Deferred Bonus Share Plan "DBSP ") for three years.	Awards are based on financial, operational and individual goals set at the start of the year. The Committee reserves the right to make an award of a different amount produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance. The split between these performance measures will be determined annually by the Committee.
DEFERRED BONUS SHARE PLAN	Deferred equity reflects the success of performance-based bonuses to drive profitability and business growth and the importance of the senior managers' interests being aligned with the interests of shareholders.	All employees of the Company and its subsidiaries including Executive Directors will be eligible to participate in the DBSP. It is currently intended that Executive Directors, Senior Managers and certain managers below Senior Manager level will participate. The Committee may adjust and amend awards in accordance with the DBSP rules. Malus and clawback provisions may be applied in exceptional circumstances.	The Executive Directors will participate to the extent that their annual bonus payout exceeds 50% of their annual base salary. Shares will be deferred for three years.	The DBSP is designed to incentivise high performance and may include further financial and non-financial performance measures, the precise measures and targets will be reviewed by the Remuneration Committee each year. The vesting of an award and receipt of shares may be subject to the achievement of other conditions to be set by the Remuneration Committee at the date of grant.
PERFORMANCE SHARE PLAN	Variable remuneration designed to incentivise and reward the achievement of long-term targets aligned with shareholder interests. The LTIP also provides flexibility in the retention and recruitment of Executive Directors.	Awards granted under the PSP vest are subject to achievement of performance conditions measured over a three-year period. PSP awards may be made as conditional share awards or in other forms (e.g. nil cost options) if it is considered appropriate. Accrued dividends may be paid in cash or shares, to the extent that awards vest. The Committee may adjust and amend awards in accordance with the PSP rules. Malus and clawback provisions may be applied in exceptional circumstances.	In any financial year, the total market value of shares over which awards can be made under the PSP to any participant cannot normally exceed 150% of their annual base salary, but the plan rules will allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances.	Performance measures are currently EPS and relative TSR, with equal weighting given to each measure. The Committee reserves the right to adjust the measures before awards are granted to reflect relevant strategic targets. The Committee reserves the right to adjust the outcome produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance.
SHAREHOLDING GUIDELINES	To drive long-term, sustainable growth and to encourage alignment between the Executive Directors and shareholders.	Executive Directors are required to build or maintain a shareholding requirement within a five year period from their appointment date. Post-cessation, Executive Directors are required to hold on to the lower of: (1) their share ownership at departure, or (2) their in-post share ownership guideline (i.e. 150% of annual base salary) for a period of 2 years.	150% of annual base salary for all Executive Directors.	n/a

NOTES TO THE POLICY TABLE

Malus and clawback provisions

Recovery provisions may be applied to the annual bonus, DBSP and PSP in certain circumstances including:

- materially inaccurate information
- material breach of employment contact which would include, without limitation, any event or omission by the Executive that contributes to a material loss or reputational damage to the Company
- material breach of any compromise agreement
- material breach of fiduciary duties

Cash bonuses will be subject to clawback, with deferred shares being subject to malus, over the deferral period. PSP awards will be subject to malus over the vesting period and clawback from the vesting date to the third anniversary of the relevant vesting date.

REMUNERATION POLICY CONTINUED

PERFORMANCE MEASURES AND TARGET SETTING

The measures, weightings and targets are reviewed annually by the Committee who take into consideration a number of factors. These include but are not limited to: the Company's strategic priorities over the short and long-term, shareholder views, the executive team's views and the external environment.

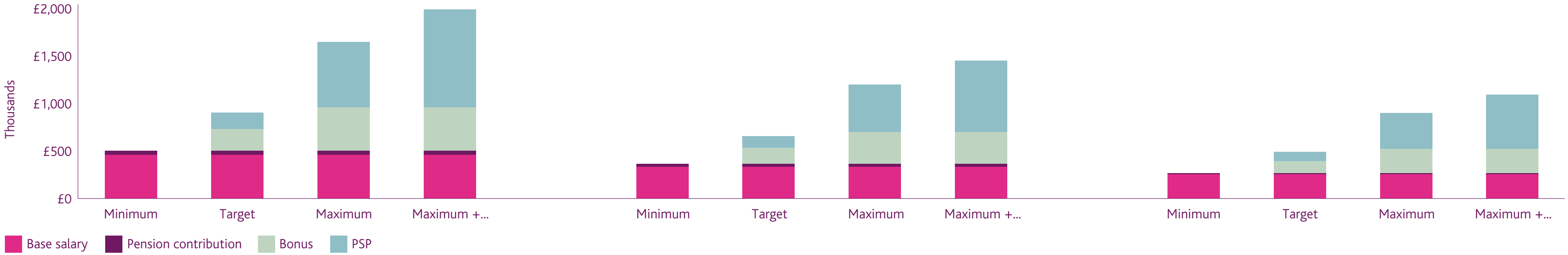
The annual bonus is measured against a strategic scorecard which varies year on year based on the Company's financial and strategic priorities. Key financial metrics are incorporated into the annual bonus reflecting both top-line and bottom-line growth. The financial metrics reflect JTC's organic and inorganic growth strategy. Some examples of these include underlying EPS, EBITDA margin, Group net organic growth and cash conversion growth. The Committee also places importance on commercial and operational efficiency improvements, strategic execution, investor relations, risk and compliance and people and culture.

The PSP is measured against relative TSR and EPS reflecting the need to drive sustainable top-line business performance as well as alignment with long-term value for shareholders and the business.

Targets are set against the plans taking into account analyst forecasts, the Company's strategic plan and prior year performance.

REMUNERATION SCENARIOS

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



Scenario	Details
Minimum	Fixed remuneration only, i.e. base salary and pension contribution[1]: CEO: £447,615 and actual 10% pension contribution CFO: £326,116 and actual 10% pension contribution COO: £248,504 and actual 5% pension contribution
Target	Fixed remuneration as above, plus target bonus and threshold PSP vesting. The target bonus being 50% of the maximum and the threshold PSP being 25% of the maximum, providing for: a target Bonus award equal to 50% of base salary for all Executive Directors a target PSP award equal to 37.5% of base salary for all Executive Directors

Scenario	Details
Maximum	Fixed remuneration as above, plus maximum bonus and full vesting of the PSP award: Bonus: 100% of salary for all Executive Directors PSP: 150% of salary for all Executive Directors
Maximum + 50% SPA (Share Price Appreciation)	As above, plus 50% share price growth over the vesting period for the PSP award

1 As per the Policy table for the financial year 2022, there is a Policy maximum pension contribution of 10% of salary (current incumbents do not currently take the full contribution). However, this will be aligned with the workforce average of 5% of salary effective 31 December 2022.

REMUNERATION POLICY CONTINUED

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

The Group regards membership of its PSP and DBSP share plans (as described at page 90) as a key part of its reward strategy which also aligns with the interests of employees and other stakeholders. Most employees receive benefits such as individual medical cover, permanent health insurance and life assurance.

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

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

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

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

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

All Executive Directors have rolling contracts for service which may be terminated by JTC giving six months' notice and the individual giving six months' notice. The Directors' service contracts are available for shareholder inspection at the Company's registered office.

The Non-Executive Directors' letters of appointment do not contain provision for notice periods or for compensation if their appointments are terminated.

REMUNERATION FOR NON-EXECUTIVE DIRECTORS
The fees paid to the Non-Executive Directors are determined by the Board as a whole. Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out the Non-Executive Directors' duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.

Element of remuneration	Purpose and link to Company strategy	Operation	Maximum opportunity
CHAIR & NON-EXECUTIVE DIRECTOR FEES	Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.	The fees paid to the Non-Executive Directors are determined by the Board as a whole. The fee paid to the Chair is determined by the Remuneration Committee. Additional fees are payable for acting as Senior Independent Director and as Chair of the Board's Audit and Risk Committee, Nomination Committee and Remuneration Committee. The Company may reimburse the Chair and Non-Executive Directors for reasonable expenses in performing their duties. The Chair and Non-Executive Directors do not participate in pension or variable incentives.	Fee levels are set by reference to Non-Executive Director fees at companies of similar size and complexity and general increases for salaried employees within the Company. The aggregate fees of the Non-Executive Directors, including the Chair's fee, may not exceed £1 million p.a. as set out in the Company's Articles of Association.

DIRECTORS' REPORT

Directors' Report

MIRANDA LANSDOWNE
GROUP COMPANY SECRETARY

The Directors present their report, together with the audited accounts for the year ended 31 December 2021.

This Directors' Report forms part of the management report as required under DTR 4. The Company has chosen to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on pages 1 to 50 and includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategy. The Governance Report on pages 52 to 96 and the Directors' Responsibilities Statement on page 96 are incorporated into the Directors' Report by reference.

ADDITIONAL DISCLOSURES

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

	Pages
Events occurring after the reporting period	140
Future developments	6 to 7
Financial instruments and financial risk management	112
Greenhouse gas emissions	37
Corporate governance report	52 to 96
Employee engagement	38 to 41
Stakeholder engagement	57
Section 172 statement	56
Viability Statement	50
Going Concern Statement	50

Disclosures required pursuant to Listing Rule 9.8.4R can be found on the following pages:

	Pages
Allotment for cash of equity securities	121
Details of long term incentive plans	81, 90 and 138

COMPANY STATUS

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

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

It is a requirement of Listing Rule 9.8.7R that as an overseas company with a premium listing the Company must comply with the Code or explain in its Annual Report and accounts any areas of non-compliance and the Company's reasons for this. As at the date of this Report, the Company complies with the UK Corporate Governance Code published by the Financial Reporting Council.

SUBSIDIARY COMPANIES

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

FORWARD-LOOKING STATEMENTS

Where this Annual Report contains forward-looking statements, these are based on current expectations and assumptions, and speak only as of the date they are made. These statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information.

The Company cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those discussed under principal risks and uncertainties on pages 45 to 49.

Forward-looking statements can be identified by the use of relevant terminology including the words: 'may', 'will', 'seek', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning and include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and include statements regarding the intentions, beliefs or current expectations of our officers, Directors and employees concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the business.

Neither the Group, nor any of its officers, Directors or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Annual Report will actually occur. Undue reliance should not be placed on these forward looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

DIRECTORS' REPORT CONTINUED

RESULTS AND DIVIDENDS

In the year ended 31 December 2021, the Group delivered an underlying profit before tax of £24.9 million (2020: £20.1 million), an increase of 23.7%; and a statutory profit before tax of £27.8 million (2020: £11.2 million), a change of 147.2%.

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

2021	Dividend	Pence per share
2021	Final (recommended)	5.07p
2021	Interim	2.6p
2021	**Total**	**7.67p**
2020	Final (recommended)	4.35p
2020	Interim	2.4p
2020	**Total**	**6.75p**

The 2021 interim dividend of 2.6 pence per existing Ordinary Share (2020: 2.4 pence) was paid to shareholders on 29 October 2021.

Payment of the recommended final dividend for the year 31 December 2021, if approved at the 2022 AGM, will be made on 8 July 2022 to shareholders registered at the close of business on 17 June 2022. The shares will be quoted ex-dividend from 6 June 2022.

DIRECTORS AND THEIR INTERESTS

The biographical details of the current serving Directors are set out on pages 53 and 54. The Directors who served during the year were: Mike Liston; Nigel Le Quesne; Martin Fotheringham; Wendy Holley; Dermot Mathias; Michael Gray; and Erika Schraner. The interests of Directors and their immediate families, who served during the year, in the shares of the Company, along with details of Directors' share options, are contained in the Directors' Remuneration Report set out on pages 67 to 87.

As announced, Kate Beauchamp was appointed as an independent non-executive director with effect from 24 March 2022.

In accordance with the Code, each director will retire and submit themselves for election or re-election at the 2022 AGM.

Copies of the Executive Directors' service contracts are available to Shareholders for inspection at the Company's registered office and at the AGM. Details of the Directors' remuneration and service contracts and their interests in the shares of the Company are set out on page 87.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors may be appointed by ordinary resolution of the Shareholders, or by the Board. Appointment of a Director from outside the Group is on the recommendation of the Nomination Committee, whilst internal promotion is a matter decided by the Board unless it is considered appropriate for a recommendation to be requested from the Nomination Committee. At every AGM of the Company, any of the Directors who have been appointed by the Board since the last AGM shall seek election by the members. Notwithstanding provisions in the Company's Articles of Association, the Board has agreed, in accordance with the UK Corporate Governance Code all of the Directors wishing to continue will retire and, being eligible, offer themselves for re-election by the Shareholders at the 2022 AGM.

DIRECTORS' INDEMNITY

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

POWERS OF THE DIRECTORS

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

SHARE CAPITAL, CONTROL OF THE COMPANY AND SIGNIFICANT AGREEMENTS

Details of the Company's share capital, including changes during the year in the issued share capital and details of the rights attaching to the Company's Ordinary Shares are set out in Note 26 on page 122.

The holders of the shares are entitled to receive dividends when declared, to receive a copy of the Annual Report and accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

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

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

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

ALLOTMENT OF SHARES

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

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

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

DIRECTORS' REPORT CONTINUED

PURCHASE OF SHARES

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

ARTICLES OF ASSOCIATION

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

SHARE CAPITAL, CONTROL OF THE COMPANY AND SIGNIFICANT AGREEMENTS

Details of the Company's share capital, including changes during the year in the issued share capital and details of the rights attaching to the Company's Ordinary Shares, are set out in the Consolidated Statement of Changes in Equity shown on page 104 of the Consolidated financial statements.

The rights attached to the shares are provided by the Articles of Association, which may be amended or replaced by means of a special resolution of the Company in a general meeting.

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

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

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

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

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

Certain nominee companies representing our Employee Benefit Trust hold shares in the Company in connection with the operation and vesting of awards granted under of the Company's share plans.

Shares held by the Trustees of the Employee Benefit Trust rank pari passu with the shares in issue and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in the EBT rests with the Trustees, who may take account of any recommendation from the Company. The Trustees of the EBT may vote in respect of shares held by them as nominees for participants, but only as instructed by participants in respect of their fully vested share awards. The Trustees will not otherwise vote in respect of shares held in the EBT.

The Company is not party to any significant agreements that would take effect, alter or terminate following a change of control of the Company. The Company does not have agreements with any Director or officer that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover.

PURCHASE OF SHARES

The Company was authorised by shareholders at the 26 May 2021 AGM to replace the existing authority (as granted by Shareholders at the 2020 AGM) to purchase its own shares in the market up to a maximum of approximately 10% of its issued share capital. No shares were purchased under that authority during the financial year. The Company is seeking to renew the authority at the forthcoming AGM, within the limits set out in the notice of that meeting and in line with the recommendations of the Pre-emption Group. This power will only be exercised if the Directors are satisfied that any purchase will increase the Earning Per Share of the Ordinary Share capital in issue after the purchase and accordingly, that the purchase is in the interest of Shareholders.

SHARE DEALING CODE

JTC has adopted a share dealing code which applies to the Company's Directors, its other PDMRs and all Group employees. In accordance with the Market Abuse Regulation, the Directors and PDMRs are responsible for procuring the compliance of their respective connected persons with the JTC share dealing code.

MODERN SLAVERY ACT

As per Section 54(1) of the Modern Slavery Act 2015, our Modern Slavery Statement is reviewed and approved by the Board on an annual basis and published on our Group website. The statement covers the activities of the Company and its subsidiaries and details policies, processes and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our business. More information on our statement can be found on our website.

DIRECTORS' REPORT CONTINUED

ANTI-BRIBERY MATTERS

We have a zero-tolerance approach to bribery. Our anti-bribery programme operates around the Group. The programme is built around a clear understanding of how and where bribery risks affect our business and comprises key controls such as: policies (anti-bribery, gifts and entertainment, conflicts of interest, charitable donations); procedures such as conducting due diligence on suppliers (in particular those who will engage public officials on our behalf); training colleagues on bribery risks every year; and ongoing assurance programmes to test that the controls are functioning effectively. Bribery risk management is discussed at senior leadership groups in each business unit, including at the Group level, and also once a year with the Group Risk Committee.

MAJOR SHAREHOLDERS

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTR) is published via a Regulatory Information Service and the Company's website. As at 14 April 2021, as a non U.K. Issuer, the Company had received notification of the following interests in voting rights pursuant to Chapter 5 of the DTR:

Shareholder	% interest in voting rights
Liontrust Asset Management	9.55
abrdn	8.60
Nigel Le Quesne	7.17
Fidelity Management & Research	7.00

Percentages above are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

AGM

The AGM will be held on 31 May 2022 at 9.30am at JTC House, 28 Esplanade, St. Helier, Jersey, JE2 3QA. At that meeting, Shareholders will be asked to vote separately on the Annual Report and on the Directors' Report on Remuneration. Separate resolutions will also be proposed on every substantive issue. A poll will be held on each resolution to ensure that the votes of the Shareholders unable to attend the meeting are taken into account, and results of the voting will be placed on our website as soon as possible after the meeting.

Shareholders who wish to do so may submit any questions to the Board before the AGM and answers to the questions will be placed on the Company's website. Shareholders should submit questions up until 11 am on 19 May 2022 by emailing them to the Company Secretary at agm@jtcgroup.com.

On behalf of the Board

MIRANDA LANSDOWNE
JOINT COMPANY SECRETARY
JTC (JERSEY) LIMITED, COMPANY SECRETARY
14 April 2021

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

DIRECTORS' CONFIRMATIONS

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

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

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

Responsibility statement of the Directors in respect of the annual financial report.

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

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

We confirm that to the best of our knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report (contained on pages 1 to 50) includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Directors consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Approved by the Board on 14 April 2022 and signed on its behalf by:

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

Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC PLC

Report on the audit of the consolidated financial statements

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of JTC PLC (the "company") and its subsidiaries (together "the group") as at 31 December 2021, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

WHAT WE HAVE AUDITED

The group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

BASIS FOR OPINION

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

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

INDEPENDENCE

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

OUR AUDIT APPROACH

OVERVIEW

AUDIT SCOPE

- Group audit scoping was performed based on profit before tax which identified fourteen significant components covering at least 80% of the group's profit before tax.
- We conducted the majority of our audit work in Jersey, with audit work also undertaken by component auditors in Luxembourg, South Africa and the Netherlands.
- In determining the significant components, we also considered revenue and work in progress ("WIP") as secondary benchmarks, ensuring that the fourteen significant components also covered at least 80% of these financial statement line items. Additional factors were also considered, including new acquisitions, common reporting processes and regulatory requirements to identify whether any additional components should be scoped in.
- The group is headquartered in Jersey, where the group financial reporting functions are located. Trading subsidiaries are based in Africa, Americas, Caribbean, Middle East, Asia and Europe.

KEY AUDIT MATTERS

- Recognition and recoverability of work in progress ("WIP").
- Impairment of goodwill.
- Business combinations.

MATERIALITY

- Overall group materiality: £1,070,000 (2020: £885,950) based on 5% of the group's profit before tax adjusted for the gain on revaluation of the contingent consideration relating to NESF and the Employee Incentive Plan ("EIP") share award expense.
- Group performance materiality: £802,500 (2020: £664,400).

THE SCOPE OF OUR AUDIT

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC PLC CONTINUED

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
RECOGNITION AND RECOVERABILITY OF WORK IN PROGRESS ("WIP") Recognition and recoverability of WIP, where services are provided on a time spent basis for client matters which have not yet been billed, is considered a key audit matter. WIP is required to be stated at the amount which is recoverable. There is a significant level of judgement and estimates applied by management in assessing and determining the value of WIP at the year end. Therefore, there is a risk that WIP may not be recoverable and that revenue could be overstated. Accounting policies and disclosures in respect of revenue and WIP are set out in note 4 & 13 of the consolidated financial statements.	We evaluated the design and implementation of controls around the billing process and quarterly valuation of WIP, testing the key controls in this process; For a sample of clients where WIP has been recognised and is outstanding at the year end, we confirmed subsequent billing and when possible, the amounts recovered post year end to ensure appropriateness of revenue recognition; Where WIP was not billed and not recovered post year end for any of the clients within the sample selected, we challenged management's estimate and rationale around the recoverability of the amounts through analysis of client agreements, communication with clients, billing and payment history with a focus on current year payments, including considering any potential impact from the COVID-19 pandemic; We performed analytical procedures to analyse the implied recovery of historic WIP to assess the reasonability of the implied recovery of WIP for our sample selected at the year end; We assessed the provision adjustments applied, the level of WIP written-off and credit notes raised on post year end invoices, on a sample basis and challenged the rationale for those provision adjustments, WIP write-offs and credit notes raised; We assessed the appropriateness of estimates made regarding the potential impact of the COVID-19 pandemic on the implied recovery of WIP at the year end and in light of the general economic conditions of each jurisdiction/client; and We performed a standback evaluation for the implied recovery of WIP at year end in order to assess whether there are any indicators of management bias. As a result of the procedures performed, we have not identified any material misstatements in respect of the WIP balance at year end.

Key audit matter	How our audit addressed the key audit matter
IMPAIRMENT OF GOODWILL Various acquisitions made by the group have generated a significant amount of goodwill being recognised on the consolidated balance sheet. The initial allocation of goodwill (calculated as the fair value of the consideration paid less the fair value of net assets acquired, less corresponding fair value of acquired intangible assets) is determined at the acquisition date. Management is required to perform annual impairment assessments in respect of the carrying value of goodwill on a cash generating unit ("CGU") basis. Management uses a discounted cash flow model to determine the value in use of each CGU to which goodwill is allocated. The annual impairment assessments performed by management were considered significant to our audit due to the complexity of the assessment process and the judgements applied by management when determining the assumptions included in the assessment. These assumptions are based on estimates that are affected by expected future economic and market conditions in the geographic region and division within which a particular CGU operates. Accounting policies and disclosures relating to impairment of goodwill are set out in note 21 of the consolidated financial statements.	We evaluated the design and implementation of controls and the inputs and the assumptions around the preparation and review of impairment assessments; We evaluated the inputs and assumptions in the forecast used by management in determining the value in use for each of the CGUs, including the appropriateness of the basis of the forecast. We challenged management's judgements, tested the underlying value in use calculation and compared the forecast used in the calculation to management's approved forecasts and budgets; We compared the projected cash flows for the next financial period with the latest approved budgets for consistency; We compared the discount rates used by management in their discounted cash flows to our internally developed benchmarks; We challenged management's key assumptions used in the forecasts, taking into consideration potential short-term and long-term impact of the COVID-19 pandemic on future performance, profit margin and terminal growth rate; We compared the prior year's approved management forecast to actual performance; We performed sensitivity analysis to identify the key assumptions within the value in use calculations and assumptions that would result in zero headroom for sensitive CGUs and challenged management's rationale for the applied rates. We also performed sensitivity analysis to determine the extent to which a reduction in key assumptions would result in goodwill impairment and challenged management on the likelihood of such events occurring; We assessed the mathematical accuracy of each discounted cash flow model; We considered the adequacy of the disclosure in the consolidated financial statements of the impairment assessment of goodwill; We queried management on the impact of climate change on future client revenues to assess the impact on future cashflows used in the goodwill impairment assessments; and We performed a standback evaluation for the key assumptions used in the value in use calculation in order to assess whether there are any indicators of management bias. As a result of the testing performed, we have not identified any material issue in respect of the impairment of goodwill.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC PLC CONTINUED

Key audit matter	How our audit addressed the key audit matter
BUSINESS COMBINATIONS The group has completed seven business combinations during the year. Significant judgement is involved in calculating the fair value of acquired assets and the allocation of the purchase price. Judgements arise from the fact that there are a number of assumptions included in the valuation models used to determine the fair values of intangible assets acquired, which include customer contracts, brand and software. These assumptions include estimates for the economic useful lives of the intangible assets, projected future earning levels, growth rates, client attrition rates, royalty rates and discount rates. Judgement is also applied in considering whether acquisitions meet the definition of a business combination, the date control passed and judgement on inputs required to determine the fair value of contingent consideration when it arises. Accounting policies and disclosures relating to the acquisitions are disclosed in note 31 of the consolidated financial statements.	We evaluated the design and implementation of controls around the preparation, review and accounting for acquisitions; We obtained management's accounting judgement papers and assessed whether the valuations performed were appropriately accounted for in accordance with applicable financial reporting standards; With the assistance of our valuation experts, we evaluated the appropriateness of the valuation models applied by management; We challenged management on the date the control was passed to the group for each acquisition; We performed procedures to test the fair value of consideration transferred including agreeing consideration paid in cash to bank statements, testing completeness of the consideration by reviewing the purchase agreements and in respect of issuance of equity instruments, confirming the group share price to independent sources; We challenged management on the key assumptions used in the valuation of non-cash contingent consideration at the date of the acquisition and the subsequent valuation of the contingent consideration at year end; With the assistance of our valuation experts, we evaluated the appropriateness of the method used for the valuation of each type of intangible assets; We challenged management on the assumptions used in the valuation models such as royalty rates, attrition rates, useful economic life and future projections of revenue/EBITDA margins. This included benchmarking against comparable data; We compared the discount rates used by management in their model to our internally developed benchmarks, with the assistance of our valuation experts; We compared the projected contract revenue for the next financial period against historical performance, adjusted for contracted clients that have been lost during the year; We assessed the EBIT margins used in the valuation model by comparing against the historical performance of each respective acquired business; We performed sensitivity analysis on the key assumptions used in the valuation models, including royalty rates, useful economic life, attrition rates, discount rates and revenue growth rates; We reconciled source data used in the models to underlying accounting records; and We performed a standback evaluation for the key assumptions used to determine the fair values of the acquired intangibles in order to assess whether there are any indicators of management bias. As a result of the testing performed, we have not identified any material issues in respect of the accounting for business combinations.

HOW WE TAILORED THE AUDIT SCOPE

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group has operating components spread internationally and two segments, namely institutional client services and private client services. Components were considered financially significant where they exceeded 3% of our primary benchmark, adjusted profit before tax, as well as revenue and WIP.

Ten of the components in scope for group reporting were audited by PwC Channel Islands, and a further three components were audited by PwC Network member firms providing 81% coverage of total profit before tax. One component was audited by a non-PwC Network member firm. We instructed non-PwC Channel Island component audit teams to perform full scope audit procedures on the component's management information.

Procedures were performed by the group audit team over all other non-significant components, which included a combination of audit procedures on non-significant components' financial statement line items, analytical review and journal entries testing.

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

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

MATERIALITY

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

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

OVERALL GROUP MATERIALITY	£1,070,000 (2020: £885,950).
HOW WE DETERMINED IT	5% of the group's profit before tax adjusted for the gain on revaluation of the contingent consideration relating to NESF and the EIP share award expense (Prior year: 5% of the group's profit before tax, adjusted for the loss on revaluation of the contingent consideration relating to NESF).
RATIONALE FOR BENCHMARK APPLIED	The determination of materiality and the benchmark used is a matter of professional judgement. Profit before tax is the measure used by management to assess the performance of the business and to communicate results to the market. We have adjusted the profit before tax for the gain on revaluation of the contingent consideration relating to NESF and the EIP share award expense as we do not consider these transactions to be reflective of the normal operations of the business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC PLC CONTINUED

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £60,000 and £1,020,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £802,500 (2020: £664,400) for the group financial statements.

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

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £53,000 (2020: £44,300) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

REPORTING ON OTHER INFORMATION

The other information comprises all the information included in the JTC Annual Report and Accounts 2021 (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information which includes reporting based on the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

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

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

RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

USE OF THIS REPORT

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC PLC CONTINUED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

COMPANY LAW EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

CORPORATE GOVERNANCE STATEMENT

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

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

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

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statement is consistent with the consolidated financial statements and our knowledge and understanding of the group and its environment obtained in the course of the audit.

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

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

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

OTHER MATTER

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these consolidated financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ("ESEF RTS"). This auditor's report provides no assurance over whether the annual consolidated financial report will be prepared using the single electronic format specified in the ESEF RTS.

MICHAEL BYRNE
FOR AND ON BEHALF OF PRICEWATERHOUSECOOPERS CI LLP
Chartered Accountants and Recognised Auditor
Jersey, Channel Islands
14 April 2022

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Revenue	4	**147,502**	115,090
Staff costs	5	**(89,540)**	(57,364)
Other operating expenses	6	**(30,114)**	(20,875)
Credit impairment losses	12	**(1,690)**	(2,382)
Other operating income		**61**	49
Share of profit of equity-accounted investee	32	**364**	359
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")		**26,583**	34,877
Comprising:			
Underlying EBITDA		**48,405**	38,724
Non-underlying items	7	**(21,822)**	(3,847)
		26,583	34,877
Depreciation and amortisation	8	**(17,591)**	(13,846)
Profit from operating activities		**8,992**	21,031
Other gains/(losses)	9	**24,707**	(5,409)
Finance income	10	**112**	33
Finance cost	10	**(6,028)**	(4,415)
Profit before tax		**27,783**	11,240
Comprising:			
Underlying profit before tax		**24,908**	20,133
Non-underlying items	7	**2,875**	(8,893)
		27,783	11,240
Income tax	11	**(1,135)**	(707)
Profit for the year		**26,648**	10,533
Earnings per Ordinary share ("EPS")		**Pence**	Pence
Basic EPS	34.1	**20.49**	9.02
Diluted EPS	34.2	**20.21**	8.96

The notes on pages 105 to 140 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Profit for the year		**26,648**	10,533
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations (net of tax)		**(2,476)**	(3,928)
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	5	**61**	(808)
Total comprehensive income for the year		**24,233**	5,797

The notes on pages 105 to 140 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Assets			
Property, plant and equipment	20	**48,340**	49,249
Goodwill	21	**341,605**	173,777
Other intangible assets	21	**120,715**	54,944
Investments	32	**2,638**	2,274
Other non-financial assets	22	**558**	303
Other receivables	15	**988**	64
Deferred tax assets	23	**119**	104
Total non-current assets		**514,963**	280,715
Trade receivables	12	**28,870**	17,230
Work in progress	13	**12,834**	11,431
Accrued income	14	**19,587**	13,382
Other non-financial assets	22	**4,147**	3,671
Other receivables	15	**2,090**	4,368
Cash and cash equivalents	16	**39,326**	31,078
Total current assets		**106,854**	81,160
Total assets		**621,817**	361,875
Equity			
Share capital	26.1	**1,476**	1,225
Share premium	26.1	**285,852**	130,823
Own shares	26.2	**(3,366)**	(3,084)
Capital reserve	26.3	**17,536**	1,456
Translation reserve	26.3	**(5,335)**	(2,859)
Retained earnings	26.3	**48,462**	30,844
Total equity		**344,625**	158,405
Liabilities			
Trade and other payables	17	**23,680**	23,027
Loans and borrowings	18	**152,578**	104,376
Lease liabilities	19	**37,916**	39,154
Deferred tax liabilities	23	**24,355**	8,902
Other non-financial liabilities	24	**179**	311
Provisions	25	**1,720**	1,601
Total non-current liabilities		**240,428**	177,371
Trade and other payables	17	**19,497**	11,684
Loans and borrowings	18	**–**	2,456
Lease liabilities	19	**5,463**	4,215
Other non-financial liabilities	24	**8,579**	5,171
Current tax liabilities	11	**2,978**	2,534
Provisions	25	**247**	39
Total current liabilities		**36,764**	26,099
Total equity and liabilities		**621,817**	361,875

The consolidated financial statements on pages 103 to 140 were approved by the Board of Directors on 14 April 2022 and signed on its behalf by:

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital £'000	Share premium £'000	Own shares £'000	Capital reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021		**1,225**	**130,823**	**(3,084)**	**1,456**	**(2,859)**	**30,844**	**158,405**
Profit for the year		–	–	–	–	–	**26,648**	**26,648**
Other comprehensive loss		–	–	–	–	**(2,476)**	**61**	**(2,415)**
Total comprehensive income for the year		–	–	–	–	**(2,476)**	**26,709**	**24,233**
Issue of share capital	26.1	**251**	**159,537**	–	–	–	–	**159,788**
Cost of share issuance	26.1	–	**(4,508)**	–	–	–	–	**(4,508)**
Share-based payments	36.2	–	–	–	**2,164**	–	–	**2,164**
EIP share-based payments	36.2	–	–	–	**13,916**	–	–	**13,916**
Movement of own shares	26.2	–	–	**(282)**	–	–	–	**(282)**
Dividends paid	27	–	–	–	–	–	**(9,091)**	**(9,091)**
Total transactions with owners		**251**	**155,029**	**(282)**	**16,080**	–	**(9,091)**	**161,987**
Balance at 31 December 2021		**1,476**	**285,852**	**(3,366)**	**17,536**	**(5,335)**	**48,462**	**344,625**
Balance at 1 January 2020		1,141	100,658	(3,027)	451	1,069	28,265	128,557
Profit for the year		–	–	–	–	–	10,533	10,533
Other comprehensive loss		–	–	–	–	(3,928)	(808)	(4,736)
Total comprehensive income for the year		–	–	–	–	(3,928)	9,725	5,797
Issue of share capital	26.1	84	30,240	–	–	–	–	30,324
Cost of share issuance		–	(75)	–	–	–	–	(75)
Share-based payment expense	36.2	–	–	–	1,082	–	–	1,082
Movement in EBT		–	–	–	(77)	–	–	(77)
Movement of own shares	26.2	–	–	(57)	–	–	–	(57)
Dividends paid	27	–	–	–	–	–	(7,146)	(7,146)
Total transactions with owners		84	30,165	(57)	1,005	–	(7,146)	24,051
Balance at 31 December 2020		1,225	130,823	(3,084)	1,456	(2,859)	30,844	158,405

The notes on pages 105 to 140 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Cash generated from operations	35.1	**30,697**	28,997
Income taxes paid		**(1,835)**	(1,413)
Net cash generated from operations		**28,862**	27,584
Comprising:			
Underlying cash generated from operations		**38,402**	35,290
Non-underlying cash items	35.2	**(7,705)**	(6,293)
		30,697	28,997
Investing activities			
Interest received		**87**	33
Payment for property, plant and equipment	20	**(1,378)**	(1,518)
Payment for intangible assets	21	**(2,620)**	(2,884)
Payment for business combinations (net of cash acquired)	31	**(186,433)**	(18,912)
Payment for investment	32	**–**	(791)
Net cash used in investing activities		**(190,344)**	(24,072)
Financing activities			
Proceeds from issue of shares		**144,801**	–
Share issuance costs		**(4,409)**	(75)
Purchase of own shares	26.2	**(269)**	(45)
Dividends paid	27	**(9,091)**	(7,146)
Loans to related parties	15	**(415)**	(311)
Repayment of loans and borrowings		**(127,784)**	(2,236)
Proceeds from loans and borrowings		**178,690**	18,914
Loan arrangement fees		**(3,364)**	(642)
Interest paid on loans and borrowings		**(2,571)**	(2,442)
Facility fees paid on loans and borrowings		**(285)**	(156)
Principal paid on lease liabilities		**(4,639)**	(3,138)
Interest paid on lease liabilities		**(1,183)**	(1,006)
Net cash from financing activities		**169,481**	1,717
Net increase in cash and cash equivalents		**7,999**	5,229
Cash and cash equivalents at the beginning of the year		**31,078**	26,317
Effect of foreign exchange rate changes		**249**	(468)
Cash and cash equivalents at the end of the year	16	**39,326**	31,078

The notes on pages 105 to 140 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

SECTION 1 – BASIS FOR REPORTING AND GENERAL INFORMATION

1. REPORTING ENTITY

JTC PLC (the "Company") was incorporated on 2 January 2018 and is domiciled in Jersey, Channel Islands. The Company was admitted to the London Stock Exchange on 14 March 2018 (the "IPO"). The address of the Company's registered office is 28 Esplanade, St Helier, Jersey.

The consolidated financial statements of the Company for the year ended 31 December 2021 comprise the Company and its subsidiaries (together the "Group" or "JTC") and the Group's interest in an associate and investments.

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

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE AND BASIS OF MEASUREMENT

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

The consolidated financial statements are prepared on a going concern basis and under the historical cost convention except for the following:

– Certain financial liabilities measured at fair value (see note 29).
– Defined benefit liabilities/(assets) recognised at the fair value of plan assets less the present value of defined benefit obligations (see note 5).

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

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED

The accounting policies set out in these consolidated financial statements have been consistently applied to all the years presented, and have been applied consistently by Group entities. There have been no significant changes compared to the prior year consolidated financial statements as at and for the year ended 31 December 2020.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2021, have been adopted by the Group from 1 January 2021. These standards and interpretations had no material impact for the Group.

New standards and interpretations issued and effective from 1 January 2021

(a) Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The Phase 2 amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of some interbank offered rates ("IBOR") with alternative benchmark rates. The key reliefs provided by the Phase 2 amendments are as follows:

– Where there are changes in the basis for determining the contractual cash flows of financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes required by IBOR reform will not result in an immediate gain or loss in the consolidated income statement.
– Hedge accounting reliefs allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue.

On 6 October 2021, the Group entered into a new multicurrency loan facility agreement where interest payable is based on SONIA plus a margin rather than LIBOR and EURIBOR. The impact of this replacement is not deemed to be material.

The Group intends to use practical expedients as they become applicable.

(b) Covid-19 Related Rent Concessions – amendments to IFRS 16

This amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The Group has no lease modifications arising from the pandemic so did not require relief from applying IFRS 16.

New standards and interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

3.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its "subsidiaries"). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. De-facto control exists where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers the size of the Company's voting rights relative to other parties, substantive potential voting rights held by the Company and by other parties, other contractual arrangements and historical patterns in voting attendance.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group. All inter-company transactions and balances, including unrealised gains and losses, arising from transactions between Group companies are eliminated on consolidation.

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

Company only financial statements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

SECTION 2 – RESULT FOR THE YEAR

4. SEGMENTAL REPORTING

REVENUE RECOGNITION

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

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

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

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

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

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

4.1. BASIS OF SEGMENTATION

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

Fund services

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

Corporate services

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

Private client services

Supporting HNW and UHNW individuals and families, from 'emerging entrepreneurs' to established single and multi-family offices. Services include JTC's own comprehensive Private Office, a range of cash management, foreign exchange and lending services, as well as the formation and administration of trusts, companies, partnerships, and other vehicles and structures across a range of asset classes, including cash and investments.

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

4.2. SEGMENTAL INFORMATION

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

	ICS		PCS		Total	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Revenue	**92,706**	64,560	**54,796**	50,530	**147,502**	115,090
Direct staff costs	**(39,256)**	(26,138)	**(20,025)**	(17,248)	**(59,281)**	(43,386)
Other direct costs	**(640)**	(359)	**(1,467)**	(1,540)	**(2,107)**	(1,899)
Underlying gross profit	**52,810**	38,063	**33,304**	31,742	**86,114**	69,805
Underlying gross profit margin %	**57.0%**	59.0%	**60.8%**	62.8%	**58.4%**	60.7%
Indirect staff costs	**(8,225)**	(7,529)	**(6,296)**	(5,429)	**(14,521)**	(12,958)
Other operating expenses	**(16,573)**	(12,557)	**(7,040)**	(5,975)	**(23,613)**	(18,532)
Other income	**18**	18	**407**	390	**425**	408
Underlying EBITDA	**28,030**	17,995	**20,375**	20,728	**48,405**	38,724
Underlying EBITDA margin %	**30.2%**	27.9%	**37.2%**	41.0%	**32.8%**	33.6%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

5. STAFF COSTS

EMPLOYEE BENEFITS

Short-term benefits

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

Defined contribution pension plans

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

Defined benefit pension plans

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

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

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

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

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

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. If benefits are not expected to be settled wholly within one year of the end of the reporting period, then they are discounted to their present value using an appropriate discount rate.

	Note	2021 £'000	2020 £'000
Salaries and Directors' fees		**62,685**	48,658
Employer-related taxes and other staff-related costs		**6,141**	4,167
Other short-term employee benefits		**2,099**	1,555
Pension employee benefits(i)		**2,535**	1,902
Share-based payments	36.2	**2,164**	1,082
EIP share-based payments	7(iv), 36.2	**13,916**	–
		89,540	57,364

(i) Pension employee benefits include defined contributions of £2.39m (2020: £1.66m) and defined benefits of £0.14m (2020: £0.24m).

Defined benefit pension plans

The Group operates defined benefit pension plans in Switzerland and Mauritius. Both plans are contribution based with guarantee of a minimum interest credit and fixed conversion rates at retirement. Disability and death benefits are defined as a percentage of the insured salary.

At 31 December 2021, the Group's net defined benefit obligation that was recognised on the consolidated balance sheet in respect of amounts that are expected to be paid out to employees was £0.8m (2020: £0.9m). The Group does not expect a significant change in contributions for the following years.

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

The Mauritius plan is administered by Swan Life Ltd. JTC Fiduciary Services (Mauritius) Limited is required to contribute a specific percentage of payroll costs to the retirement benefit scheme. Employees under this pension plan are entitled to statutory benefits prescribed under parts VIII and IX of the Workers' Rights Act 2019.

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

	2021 £'000	2020 £'000
Present value of funded obligations	**(2,010)**	(2,285)
Fair value of plan assets(i)	**1,233**	1,382
Consolidated balance sheet liability	**(777)**	(903)

(i) All plan assets are held in insurance contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

5. STAFF COSTS (CONTINUED)

EMPLOYEE BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

The movement in the net defined benefit obligation recognised in the consolidated balance sheet is as follows:

	2021			2020(i)		
	Defined benefit obligation £'000	**Fair value of plan assets £'000**	**Net defined benefit obligation £'000**	Defined benefit obligation £'000	Fair value of plan assets £'000	Net defined benefit obligation £'000
At 1 January	**2,285**	**1,382**	**903**	1,765	897	868
Included in the consolidated income statement						
Current service cost	**207**	**–**	**207**	235	–	235
Past service cost	**(66)**	**–**	**(66)**	–	–	–
Interest	**5**	**1**	**4**	9	3	6
Total	**146**	**1**	**145**	244	3	241
Included in other comprehensive loss						
Remeasurements loss/(gain):						
– change in demographic assumptions	**–**	**–**	**–**	(191)	–	(191)
– change in financial assumptions	**(42)**	**–**	**(42)**	118	–	118
– experience adjustment	**(93)**	**–**	**(93)**	(15)	–	(15)
– return on plan assets	**–**	**(74)**	**74**	–	–	–
Total	**(135)**	**(74)**	**(61)**	(88)	–	(88)
Other						
Contributions:						
– Employers	**–**	**177**	**(177)**	–	149	(149)
– Plan participants	**87**	**87**	**–**	73	73	–
Benefit payments	**(302)**	**(302)**	**–**	216	216	–
Exchange differences	**(71)**	**(38)**	**(33)**	75	44	31
Total	**(286)**	**(76)**	**(210)**	364	482	(118)
At 31 December	**2,010**	**1,233**	**777**	2,285	1,382	903

(i) During the prior year, management reviewed the accounting for their pension schemes across the Group and recognised a defined benefit pension scheme in Switzerland which was previously accounted for as a defined contribution scheme. The accounting was corrected in the 31 December 2020 consolidated financial statement, it was not considered material for restatement of prior periods.

The plans are exposed to actuarial risks relating to discount rate, interest rate for the projection of the savings capital, salary increase and pension increase. The principal annual actuarial assumptions used for the IAS 19 disclosures were as follows:

	Switzerland	Mauritius
Discount rate at 1 January 2021	0.1%	2.8%
Discount rate at 31 December 2021	0.3%	4.6%
Future salary increases	1.0%	5.0%
Rate of increase in deferred pensions	0.0%	0.0%

In Switzerland, longevity must be reflected in the defined benefit liability. The mortality probabilities used were as follows:

	2021	2020
Mortality probabilities for pensioners at age 65		
– Males	**21.70**	21.72
– Females	**23.41**	23.47
Mortality probabilities at age 65 for current members aged 45		
– Males	**23.29**	23.31
– Females	**24.98**	25.04

6. OTHER OPERATING EXPENSES

Other operating expenses are accounted for on an accruals basis.

	2021 £'000	2020 £'000
Third party administration fees	**2,300**	1,994
Legal and professional fees(i)	**9,846**	5,923
Auditor's remuneration for audit services	**1,126**	1,055
Auditor's remuneration for other services	**190**	128
Establishment costs	**2,611**	1,806
Insurance	**1,703**	1,183
Travelling	**433**	438
Marketing	**1,493**	964
IT expenses	**7,942**	5,343
Other expenses	**2,470**	2,041
Other operating expenses	**30,114**	20,875

(i) Included in legal and professional fees are £5.2m (2020: £2.73m) of non-underlying items (see note 7(i)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

7. NON-UNDERLYING ITEMS

Non-underlying items represent specific items of income or expenditure that are not of a continuing operational nature and do not represent the underlying operating results, and based on their significance in size or nature are presented separately to provide further understanding about the financial performance of the Group.

	2021 £'000	2020 £'000
EBITDA	**26,583**	34,877
Non-underlying items within EBITDA:		
Acquisition and integration costs(i)	**6,610**	3,302
Revision of ICS operating model(ii)	**421**	401
Other(iii)	**263**	144
EIP share-based payments(iv)	**14,528**	–
Total non-underlying items within EBITDA	**21,822**	3,847
Underlying EBITDA	**48,405**	38,724

	2021 £'000	2020 £'000
Profit before tax	**27,783**	11,240
Total non-underlying items within EBITDA	**21,822**	3,847
Unwinding of discount on capital distribution	**–**	33
Gain on bargain purchase(v)	**(5,357)**	–
(Gain)/loss on revaluation of contingent consideration(vi)	**(20,910)**	6,479
Loss/(gain) on settlement of contingent consideration(vii)	**701**	(213)
Foreign exchange losses/(gains)(viii)	**869**	(1,253)
Total non-underlying items within profit before tax	**(2,875)**	8,893
Underlying profit before tax	**24,908**	20,133

(i) During 2021, the Group expensed £6.61m (2020: £3.3m) in relation to business combinations. For those completed in the year: RBC cees £1.83m (see note 31.1), INDOS £0.6m (see note 31.2), Segue £0.33m (see note 31.3), perfORM £0.06m (see note 31.4), Ballybunion £0.2m (see note 31.5), SALI £3.17m (see note 31.6) and EFS £0.22m (see note 31.7). For those completed in prior periods: NESF (£0.08m) (see note 31.8) and Sanne Private Client Business £0.07m (see note 31.9). For potential projects there was £0.21m. Acquisition and integration costs includes but is not limited to: travel costs, professional fees, legal fees, tax advisory fees, onerous leases, transitional services agreement costs, any client-acquired penalties and staff reorganisation costs.

(ii) During 2021, the Group incurred further costs in relation to the implementation of a revised operating model for the fund services practice. This exercise was prolonged due to the impact of Covid-19 and is expected to be completed in 2022.

(iii) One-off costs relating to other items not considered to represent the ongoing operations of the business. This includes aborted project costs and legal costs relating to a regulatory action from the Dutch Central Bank.

(iv) Following the conclusion of the Odyssey business plan era, share awards were made to staff members under the EIP (see note 36.1); this includes employer-related taxes relating to the share awards.

(v) Gain on bargain purchase arising on the acquisition of RBS cees (see note 31.1).

(vi) The NESF earn-out is a liability-classified contingent consideration and the fair value is updated at each reporting date. At 31 December 2021, a gain on revaluation was recognised as management concluded that the required EBITDA threshold would not be met and no earn-out was due (see note 31.8). At 31 December 2020, a loss was recognised as a result of applying an increase to the estimated share price (from £4.01 to £5.58) to the number of shares calculated as due for the previously anticipated earn-out.

(vii) In the current year, a loss was recognised on settlement of the holdback fund share consideration for NESF (see note 31.8). In the prior year, a gain was recognised on final settlement of contingent consideration for the Swiss & Global Fund Administration (Cayman) Ltd acquisition.

(viii) Foreign exchange losses relate to the revaluation of both intercompany loans and the Group's former Euro loan facility. Management consider these foreign exchange movements to be non-underlying items and have removed these in calculating EBITDA in order to reflect the Group's underlying performance.

8. DEPRECIATION AND AMORTISATION

	Note	2021 £'000	2020 £'000
Depreciation of property, plant and equipment	20	**7,157**	5,884
Amortisation of intangible assets	21	**9,776**	7,327
Amortisation of contract assets	22	**658**	635
Depreciation and amortisation		**17,591**	13,846

9. OTHER GAINS/(LOSSES)

	Note	2021 £'000	2020 £'000
Foreign exchange (losses)/gains		**(861)**	842
Net profit on disposal of property, plant and equipment		**2**	15
(Loss)/gain on settlement of contingent consideration	7	**(701)**	213
Gain on bargain purchase	7	**5,357**	–
Gain/(loss) on revaluation of contingent consideration	7	**20,910**	(6,479)
Other gains/(losses)		**24,707**	(5,409)

10. FINANCE INCOME AND FINANCE COST

Finance income includes interest income from loan receivables and bank deposits and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Finance costs include interest expenses on loans and borrowings, the unwinding of the discount on provisions, contingent consideration and lease liabilities and the amortisation of directly attributable transaction costs which have been capitalised upon issuance of the financial instrument and released to the consolidated income statement on a straight-line basis over the contractual term.

	2021 £'000	2020 £'000
Bank interest	**80**	33
Loan interest	**32**	–
Finance income	**112**	33
Bank loan interest	**1,772**	2,319
Amortisation of loan arrangement fees	**1,501**	603
Unwinding of net present value discounts	**1,769**	1,043
Other finance expense	**986**	450
Finance cost	**6,028**	4,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

11. INCOME TAX

INCOME TAX

Income tax includes current and deferred tax. Current and deferred tax are recognised in the consolidated income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

CURRENT TAX

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

DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using tax rates that are expected to apply when the liability is settled or the asset realised using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets offset with deferred tax liabilities when there is a legally enforceable right to set off tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

	2021 £'000	2020 £'000
Current tax		
Jersey tax on current year profit	1,362	692
Foreign company taxes on current year profit	1,249	1,128
	2,611	1,820
Deferred tax (see note 23)		
Jersey origination and reversal of temporary differences	(15)	(10)
Temporary differences in relation to acquired intangible assets	(1,446)	(1,102)
Foreign company origination and reversal of temporary differences	(15)	(1)
	(1,476)	(1,113)
Total tax charge for the year	1,135	707

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:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	27,783	11,240
Tax on profit on ordinary activities at standard Jersey income tax rate of 10% (2020: 10%)	2,778	1,124
Effects of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	(432)	(485)
Results from tax exempt entities (foreign company)	(120)	56
Foreign taxes not at Jersey rate	664	670
Depreciation in excess of capital allowances (Jersey company)	(15)	(10)
Depreciation in excess of capital allowances (foreign company)	(15)	(1)
Temporary differences in relation to acquired intangible assets	(1,446)	(1,102)
Non-deductible expenses[(i)]	1,398	15
Consolidation adjustments[(ii)]	(1,738)	463
Other differences	61	(23)
Total tax charge for the year	1,135	707

(i) The current year includes £13.9m of expenses relating to share awards made under the EIP (see note 36.1).
(ii) The current year includes gains of £20.9m and £5.4m relating to the revaluation and settlement of contingent consideration (see notes 31.1 and 31.8).

Income tax expense computations are based on the jurisdictions in which profits were earned at prevailing rates in the respective jurisdictions.

The Company is subject to Jersey income tax at the general rate of 0%; however, the majority of the Group's profits are reported in Jersey by Jersey financial services companies. The income tax rate applicable to certain financial services companies in Jersey is 10%. It is therefore appropriate to use this rate for reconciliation purposes.

	2021 £'000	2020 £'000
Reconciliation of effective tax rates		
Tax on profit on ordinary activities	10.00%	10.00%
Effect of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	(1.55%)	(4.32%)
Results from tax exempt entities (foreign company)	(0.43%)	0.49%
Foreign taxes not at Jersey rate	2.39%	5.96%
Depreciation in excess of capital allowances (Jersey company)	(0.05%)	(0.09%)
Depreciation in excess of capital allowances (foreign company)	(0.06%)	(0.01%)
Temporary differences in relation to acquired intangible assets	(5.20%)	(9.80%)
Non-deductible expenses	5.03%	0.13%
Consolidation adjustments	(6.26%)	4.12%
Other differences	0.22%	(0.21%)
Effective tax rate	4.09%	6.27%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

SECTION 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

This section provides information about the Group's financial instruments, including; accounting policies; specific information about each type of financial instrument; and, where applicable, information about determining the fair value, including judgements and estimation uncertainty involved.

FINANCIAL ASSETS

The Group classifies its financial assets as either amortised cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") depending on the Group's business model objective for managing financial assets and their contractual cash flow characteristics.

As the Group's financial assets arise principally from the provision of services to clients (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest, they are classified at amortised cost.

Financial assets are recognised initially on the trade date, which is the date that the Group became party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the asset expire, or the rights to receive the contractual cash flows from the transaction in which substantially all of the risks and rewards of ownership of the financial asset have been transferred.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied takes into consideration whether there has been a significant increase in credit risk.

Financial assets comprise trade receivables, work in progress, accrued income, other receivables and cash and cash equivalents. For further details on impairment for each, see notes 12 to 16.

FINANCIAL LIABILITIES

The Group classifies its financial liabilities as either amortised cost or FVTPL depending on the purpose for which the liability was acquired.

As the Group does not have any financial liabilities held for trading (derivatives), all other financial liabilities are classified as measured at amortised cost. Other financial liabilities include trade and other payables, borrowings and lease liabilities.

Trade and other payables represent liabilities incurred for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method and are presented as current liabilities unless payment is not due within 12 months after the reporting period. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated income statement as finance income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Lease liabilities are financial liabilities measured at amortised cost. They are initially measured at the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rate applied to each lease was determined considering the Group's borrowing rate and the risk-free interest rate, adjusted for factors specific to the country, currency and term of the lease.

The Group can be exposed to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

12. TRADE RECEIVABLES

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

2021	Gross £'000	Loss allowance £'000	Net £'000
<30 days	15,167	(164)	15,003
30 – 60 days	3,493	(100)	3,393
61 – 90 days	1,868	(136)	1,732
91 – 120 days	3,579	(203)	3,376
121 – 180 days	1,965	(412)	1,553
180> days	7,629	(3,816)	3,813
Total	**33,701**	**(4,831)**	**28,870**

2020	Gross £'000	Loss allowance £'000	Net £'000
<30 days	7,990	(113)	7,877
30 – 60 days	1,770	(36)	1,734
61 – 90 days	1,834	(127)	1,707
91 – 120 days	967	(126)	841
121 – 180 days	1,369	(262)	1,107
180> days	8,192	(4,228)	3,964
Total	22,122	(4,892)	17,230

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

	2021 £'000	2020 £'000
Balance at the beginning of the year	(4,892)	(4,002)
Credit impairment losses	(1,690)	(2,382)
Amounts written off (including unused amounts reversed)	1,750	1,492
Total allowance for doubtful debts	**(4,832)**	(4,892)

To measure the ECL, trade receivables are grouped based on shared credit risk characteristics and the days past due. The ECL are estimated collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtor's financial position (this includes unlikely to pay indicators such as liquidity issues, insolvency or other financial difficulties) and an assessment of both the current as well as the forecast direction of macroeconomic conditions at the reporting date. Management have identified gross domestic product and inflation in each country the Group provides services in to be the most relevant macroeconomic factors.

Management have given consideration to these factors and the challenging trading environment presented by the Covid-19 pandemic and are satisfied that any impact is highly immaterial to the ultimate recovery of receivables, such is the diversification across the book in industries and geographies. The loss allowance at 31 December 2021 supports this conclusion. See note 29.2 for further comment on credit risk management.

Provision rates are segregated according to geographical location and by business line. The Group considers specific impairment on a by-client basis rather than on a collective basis. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement as a credit impairment loss. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against credit impairment losses.

13. WORK IN PROGRESS

	2021 £'000	2020 £'000
Total	**12,906**	11,491
Loss allowance	(72)	(60)
Net	**12,834**	11,431

Work in progress ("WIP") relates to variable fee contracts and represents the net unbilled amount expected to be collected from clients for work performed to date. It is measured at the chargeable rate agreed with the individual clients less progress billed, allowances for unrecoverable amounts and ECL. As these financial assets relate to unbilled work and have substantially the same risk characteristics as trade receivables, the Group has concluded that the expected loss rates for trade receivables <30 days is an appropriate estimation of the ECL.

SENSITIVITY ANALYSIS

The total carrying amount of WIP (before ECL allowances) is £12.91m (2020: £11.49m). If management's estimate of the recoverability of the WIP (the amount expected to be billed and collected from clients for work performed to date) is 10% lower than expected on the total WIP balance due to allowances for unrecoverable amounts, revenue would be £1.29m lower (2020: £1.15m lower).

14. ACCRUED INCOME

	2021 £'000	2020 £'000
Total	**19,621**	13,400
Loss allowance	(34)	(18)
Net	**19,587**	13,382

Accrued income relates to fixed and NAV based fees across all service lines and represents the billable amount relating to the provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears less ECL. As these financial assets relate to unbilled work and have substantially the same risk characteristics as trade receivables, the Group has concluded that the expected loss rates for trade receivables <30 days is an appropriate estimation of the ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

15. OTHER RECEIVABLES

	2021 £'000	2020 £'000
Non-current		
Loans receivable from related undertakings	**833**	64
Loan receivable from third party	**155**	–
Total non-current	**988**	64
Current		
Other receivables	**1,884**	1,934
Loans receivable from employees	**206**	2,214
Loan receivable from related undertakings	**–**	220
Total current	**2,090**	4,368
Total other receivables	**3,078**	4,432

Non-current loans receivable from related undertakings are due from Harmonate Corp. (£0.77m), Northpoint Byala IC (£0.05m) and Northpoint Finance IC (£0.01m). The loan receivable from Harmonate Corp. (see note 32) is unsecured, interest bearing at 4% per annum and repayable on demand at any time on or after 31 December 2023. The Northpoint Byala IC and Northpoint Finance IC loans are considered related parties due to common directorships. The loans are unsecured, interest free and with an unspecified repayment date.

Non-current loan receivable from a third party is due 19 October 2024 and is interest bearing at 2.5% per annum.

Loans receivable from employees in the current year includes £0.2m due from employees participating in Advance to Buy programmes (2020: £0.05m). These are interest bearing at 3% per annum and repayable two years after the commencement date of each annual programme unless the employment contract is terminated at an earlier date. In the prior year, £2.16m was due from employees of NESF in order to participate in JTC share options as part of the acquisition; these were repaid during 2021. These were interest bearing at 2% per annum.

Other receivables are subject to the impairment requirements of IFRS 9 but as balances are primarily with related parties or part of a business combination, they were assessed to have low credit risk and no loss allowance is recognised.

16. CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash attributable to the Group	**39,326**	31,078
Total	**39,326**	31,078

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Cash and cash equivalents are subject to the impairment requirements of IFRS 9 but, as balances are mainly held with reputable international banking institutions, they were assessed to have low credit risk and no loss allowance is recognised.

17. TRADE AND OTHER PAYABLES

	Note	2021 £'000	2020 £'000
Non-current			
Other payables		**382**	–
Contingent consideration		**22,521**	22,124
Employee benefit obligations	5	**777**	903
Total non-current		**23,680**	23,027
Current			
Trade payables		**2,091**	1,970
Other taxation and social security		**642**	312
Other payables		**3,803**	3,006
Accruals		**7,059**	5,022
Contingent consideration		**5,902**	1,374
Total current		**19,497**	11,684
Total trade and other payables		**43,177**	34,711

Contingent consideration payable is discounted to net present value, split between current and non-current and is due by acquisition as follows: £1.32m for INDOS (see note 31.2), £1.69m for Segue (see note 31.3), £2.77m for perfORM (see note 31.4), £1.61m for Ballybunion (see note 31.5), £21.01m for SALI (see note 31.6) and £0.02m for EFS (see note 31.7). At 31 December 2020, contingent consideration payable was £23.35m for NESF (see note 31.8) and £0.15m for Sanne Private Client Business (see note 31.9)).

For current trade and other payables, due to their short-term nature, management consider the carrying value of these financial liabilities to approximate to their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

18. LOANS AND BORROWINGS

This note provides information about the contractual term of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 29.

	2021 £'000	2020 £'000
Non-current		
Bank loans	**152,578**	104,376
Current		
Other loans	**–**	2,456
Total loans and borrowings	**152,578**	106,832

18.1. BANK LOANS

The terms and conditions of outstanding bank loans are as follows:

Facility	Currency	Termination date	Interest rate	2021 £'000	2020 £'000
Term facility	GBP	8 October 2024	SONIA + 1.9% margin	**75,000**	45,000
Revolving credit facility	GBP	8 October 2024	SONIA + 1.9% margin	**80,662**	35,425
Revolving credit facility	EUR			**–**	25,169
Total principal value				**155,662**	105,594
Issue costs				**(3,084)**	(1,218)
Total bank loans				**152,578**	104,376

The interest rate applied to loan facilities was previously determined using LIBOR and EURIBOR plus a margin based on net leverage calculations. At 1 January 2021, the margin was 2%. This changed in May 2021 to 1.75% and in August 2021 to 1.25%.

Following the refinancing on 6 October 2021 and as at 31 December 2021, the interest rate applied to loan facilities is determined using SONIA plus a margin of 1.9% (2020: using LIBOR AND EURIBOR plus a margin of 2%).

Under the terms of the facility, the debt is supported by guarantees from JTC PLC and other applicable subsidiaries deemed to be obligors, and in the event of default, demand could be placed on these entities to settle outstanding liabilities.

Movement in bank facilities is as follows:

	At 1 January 2021 £'000	**Drawdowns £'000**	**Repayment £'000**	**Amortisation release £'000**	**Effect of foreign exchange £'000**	**At 31 December 2021 £'000**
Principal value	**105,594**	**176,662**	**(125,099)**	**–**	**(1,495)**	**155,662**
Issue costs	**(1,218)**	**(3,364)**	**–**	**1,498**	**–**	**(3,084)**
Total	**104,376**	**173,298**	**(125,099)**	**1,498**	**(1,495)**	**152,578**

	At 1 January 2020 £'000	Drawdowns £'000	Repayment £'000	Amortisation release £'000	Effect of foreign exchange £'000	At 31 December 2020 £'000
Principal value	87,836	16,425	–	–	1,333	105,594
Issue costs	(1,155)	(625)	–	562	–	(1,218)
Total	86,681	15,800	–	562	1,333	104,376

During the current year, a withdrawal was made on 30 March 2021 for £21m to fund the acquisition of RBC cees (see note 31.1), following the placing on 5 May 2021 (see note 26.1), this amount was refunded to the facility. In the prior year, withdrawals were made from the facility for £6.425m to assist with settlement of contingent consideration for Exequtive (£5.5m) and Aufisco (£0.58m) and for £10m to partially fund the acquisition of Sanne Private Clients (see note 31.9).

In the current year, on 6 October 2021, the Group entered into a multicurrency loan facility agreement with HSBC for a total commitment of £225m consisting of a term loan of £75m and a revolving credit facility ("RCF") of £150m. The initial termination date is the third anniversary of the date of the agreement (being 6 October 2024) and for the RCF, the termination date can be extended for two one year extensions. The loan agreement was amended on 22 November 2021 and introduced Fifth Third Bank and Citibank N.A. as incoming lenders, joining the syndicate that includes existing lenders HSBC, Barclays Bank Plc, Santander UK Plc and the Bank of Ireland. The new facility was used to repay in full the drawn amounts on the existing facility and amounts of £45.6m and £6m were drawn to part satisfy the cash consideration for the acquisition of SALI (see note 31.6) and fully fund the cash consideration of EFS (see note 31.7).

The cost of the facility depends upon net leverage, being the ratio of total net debt to underlying EBITDA (for LTM at average FX rates and adjusted for pro-forma contributions from acquisitions) for a relevant period as defined in the facilities agreement. At 31 December 2021, arrangement and legal fees amounting to £3.36m have been capitalised for amortisation over the term of the loan.

At 31 December 2021, the Group had available £69.3m of committed facilities currently undrawn (2020: £44.4m). All facilities are due to be repaid on or before the termination date of 6 October 2024.

18.2. COMPLIANCE WITH LOAN COVENANTS

The Company has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting periods, see note 30.

18.3. OTHER LOANS

On 25 January 2021, the Company repaid £2.5m ($3.4m) for the revolving credit note acquired with NESF that was held with CIBC Bank USA, an Illinois banking corporation.

18.4. FAIR VALUE

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates or the borrowings are short term in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

SECTION 4 – NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

19. LEASE LIABILITIES

Where the Group is a lessee its lease contracts are for the rental of buildings for office space and also some office furniture and equipment. In accordance with IFRS 16 'Leases', the Group recognises right-of-use assets which are shown with property, plant and equipment (see note 20) and lease liabilities which are shown separately on the consolidated balance sheet.

	2021 £'000	2020 £'000
Non-current	**37,916**	39,154
Current	**5,463**	4,215
Total lease liabilities	**43,379**	43,369

20. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recorded at cost and are stated at historical cost less depreciation and impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

- Computer equipment – 4 years
- Office furniture and equipment – 4 years
- Leasehold improvements – over the period of the lease

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. Assets under the course of construction are stated at cost. These assets are not depreciated until they are available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

For right-of-use assets, upon inception of a contract, the Group assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost comprising of the following: the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and estimated restoration costs.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life, this is considered to be the end of the lease term as assessed by management. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses (if any).

The movements of all tangible assets are as follows:

	Computer equipment £'000	Office furniture and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 January 2020	3,175	1,821	8,060	33,466	46,522
Additions	935	430	414	13,324	15,103
Additions through business combinations	38	151	–	2,068	2,257
Disposals	(1)	(29)	(66)	(352)	(448)
Exchange differences	15	25	33	304	377
At 31 December 2020	4,162	2,398	8,441	48,810	63,811
Additions	**114**	**299**	**1,092**	**4,037**	**5,542**
Additions through business combinations	**20**	**100**	**–**	**1,495**	**1,615**
Disposals	**(6)**	**–**	**–**	**(79)**	**(85)**
Exchange differences	**(102)**	**(87)**	**(76)**	**(959)**	**(1,224)**
At 31 December 2021	**4,188**	**2,710**	**9,457**	**53,304**	**69,659**
Accumulated depreciation					
At 1 January 2020	2,390	767	2,264	3,236	8,657
Charge for the year	406	361	773	4,440	5,980
Disposals	(1)	(26)	(55)	–	(82)
Exchange differences	10	5	6	(14)	7
At 31 December 2020	2,805	1,107	2,988	7,662	14,562
Charge for the year	**471**	**449**	**687**	**5,500**	**7,107**
Disposals	**(6)**	**–**	**–**	**–**	**(6)**
Exchange differences	**(55)**	**(45)**	**(48)**	**(196)**	**(344)**
At 31 December 2021	**3,215**	**1,511**	**3,627**	**12,966**	**21,319**
Carrying amount					
At 31 December 2021	**973**	**1,199**	**5,830**	**40,338**	**48,340**
At 31 December 2020	1,357	1,291	5,453	41,148	49,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL

Goodwill that arises on the acquisition of subsidiaries is considered an intangible asset. See note 31 for the measurement of goodwill at initial recognition; subsequent to this, measurement is at cost less accumulated impairment losses.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, these are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date of acquisition. The estimated useful lives are as follows:

- Customer relationships – 2 to 25 years
- Software – 4 to 10 years
- Brand – 5 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

INTANGIBLE ASSETS ACQUIRED SEPARATELY

Intangible assets that are acquired separately by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date that they are available for use. The estimated useful lives are as follows:

- Customer relationships – 10 years
- Regulatory licence – 12 years
- Software – 4 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

Intangible assets under the course of construction are stated at cost and are not amortised until they are available for use.

INTERNALLY GENERATED SOFTWARE INTANGIBLE ASSETS

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 where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intend to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software 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 stage can be reliably measured

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads

Capitalised development costs are recorded as intangible assets and amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date at which the asset is ready to use. The estimated useful life for internally generated software intangible assets is 4 years.

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets ("CGUs"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The movements in goodwill and other intangible assets are as follows:

	Goodwill £'000	Customer relationships £'000	Regulatory licence £'000	Software[(i)] £'000	Brands £'000	Total £'000
Cost						
At 1 January 2020	124,880	57,780	238	4,034	–	186,932
Additions	39	106	–	1,368	–	1,513
Additions through business combinations	50,927	8,926	81	2,757	691	63,382
Exchange differences	(2,069)	539	19	(233)	(61)	(1,805)
At 31 December 2020	173,777	67,351	338	7,926	630	250,022
Additions	**–**	**–**	**–**	**1,771**	**–**	**1,771**
Additions through business combinations	**171,983**	**72,393**	**–**	**1,151**	**1,993**	**247,520**
Exchange differences	**(4,155)**	**(1,975)**	**(24)**	**13**	**(10)**	**(6,151)**
At 31 December 2021	**341,605**	**137,769**	**314**	**10,861**	**2,613**	**493,162**
Accumulated amortisation						
At 1 January 2020	–	11,129	69	2,815	–	14,013
Charge for the year	–	6,038	57	1,143	89	7,327
Exchange differences	–	(18)	5	(21)	(5)	(39)
At 31 December 2020	–	17,149	131	3,937	84	21,301
Charge for the year	**–**	**8,070**	**58**	**1,462**	**186**	**9,776**
Exchange differences	**–**	**(235)**	**(11)**	**7**	**4**	**(235)**
At 31 December 2021	**–**	**24,984**	**178**	**5,406**	**274**	**30,842**
Carrying amount						
At 31 December 2021	**341,605**	**112,785**	**136**	**5,455**	**2,339**	**462,320**
At 31 December 2020	173,777	50,202	207	3,989	546	228,721

(i) Included in software are internally generated software intangible assets with a net book value of £0.89m; within this, £0.18m is classified as assets under construction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

21.1. GOODWILL

Goodwill impairment

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is monitored at a jurisdictional level by management. Goodwill is allocated to CGUs for the purpose of impairment testing and this allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. The aggregate carrying amount of goodwill allocated to each CGU is as follows:

In the current year: CGU	**Balance at 1 Jan 2021 £'000**	**Business combinations £'000**	**Post-acquisition adjustments £'000**	**Exchange differences £'000**	**Balance at 31 Dec 2021 £'000**
Jersey	66,569	–	(465)	–	**66,104**
Guernsey	10,761	–	–	–	**10,761**
BVI	752	–	–	–	**752**
Switzerland	2,400	–	–	(34)	**2,366**
Cayman	222	–	–	2	**224**
Luxembourg	29,721	–	–	(1,912)	**27,809**
Netherlands	15,292	–	–	(1,072)	**14,220**
Dubai	1,746	–	–	17	**1,763**
Mauritius	2,357	–	–	22	**2,379**
US – NESF	43,957	–	–	430	**44,387**
US – Other	–	151,724	–	(1,548)	**150,176**
Ireland	–	8,748	–	(60)	**8,688**
UK	–	11,976	–	–	**11,976**
Total	173,777	172,448	(465)	(4,155)	**341,605**

In the prior year: CGU	Balance at 1 Jan 2020 £'000	Business combinations £'000	Post-acquisition adjustments £'000	Exchange differences £'000	Balance at 31 Dec 2020 £'000
Jersey	63,987	2,582	–	–	66,569
Guernsey	10,598	163	–	–	10,761
BVI	752	–	–	–	752
Switzerland	2,328	–	–	72	2,400
Cayman	231	–	–	(9)	222
Luxembourg	28,240	–	39	1,442	29,721
Netherlands	14,482	–	–	810	15,292
Dubai	1,815	–	–	(69)	1,746
Mauritius	2,447	–	–	(90)	2,357
US	–	48,118	64	(4,225)	43,957
Total	124,880	50,863	103	(2,069)	173,777

Key assumptions used to calculate the recoverable amount for each CGU

The recoverable amount of all CGUs has been determined based on the higher of the value in use calculation using cash flow projections or fair value less cost to sell. Projected cash flows are calculated with reference to each CGU's latest budget and business plan which are subject to a rigorous review and challenge process. Management prepare the budgets through an assessment of historical revenues from existing clients, the pipeline of new projects, historical pricing, and the required resource base needed to service new and existing clients, coupled with their knowledge of wider industry trends and the economic environment.

The year 1 cash flow projections are based on the latest approved budget and years 2 to 5 on detailed outlooks prepared by management. The terminal growth rate value beyond the initial five year period is based on the expected long-term inflation rate of the relevant jurisdiction of the CGU.

Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money. In assessing the discount rate applicable to the Group the following factors have been considered:

- Long-term treasury bond rate for the relevant jurisdiction
- The cost of equity based on an adjusted Beta for the relevant jurisdiction
- The risk premium to reflect the increased risk of investing in equities

A summary of the values assigned to the key assumptions used in the value in use calculations are as follows:

- Revenue growth rate: up to 25.1% (the maximum annual growth rate excluding the US – NESF CGU was 18.6%)
- Terminal value growth rate: between 0% to 3%
- Discount rate: between 10.5% to 16.4%
- EBIT margin: between 19.8% to 66.7%

Conclusion

The recoverable amount of goodwill determined for each CGU as at 31 December 2021 was found to be higher than its carrying amount.

Sensitivity to changes in assumptions

Management believe that any reasonable changes to the key assumptions on which recoverable amounts are based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs, except for the US – NESF CGU where the sensitivity of key assumptions have been detailed below.

The following would cause the carrying amount to exceed the recoverable amount:

- A reduction of 5% in the forecast annual revenue growth rates used for years 1 – 5 would result in a £3.1m impairment
- A reduction of 6% in the forecast EBIT margin used for years 1 – 5 would result in a £3.1m impairment

The following would cause the recoverable amount to be equal to the carrying amount:

- A reduction of 3.2% in the forecast annual revenue growth rates used for years 1 – 5
- A reduction of 3.9% in the forecast EBIT margin used for years 1 – 5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

21.2. CUSTOMER RELATIONSHIP INTANGIBLE ASSETS

The carrying amount of identifiable customer relationship intangible assets acquired separately and through business combinations are as follows:

Acquisition	Note	Amortisation period end	Useful economic life ("UEL")	Carrying amount 2021 £'000	2020 £'000
Signes(i)		30 April 2025	10 years	928	1,284
KB Group(i)		30 June 2027	12 years	1,918	2,267
S&GFA(i)		30 September 2025	10 years	1,392	1,747
BAML(i)		30 September 2029	12 years	6,168	6,896
NACT(i)		31 July 2027	10 years	1,146	1,544
Van Doorn(i)		28 February 2030	11.4 years	5,114	6,182
Minerva(i)		30 May 2027 – 30 July 2030	8.7 – 11.8 years	9,759	11,003
Exequtive(i)		31 March 2029	10 years	7,012	8,581
Aufisco(i)		30 June 2029	10 years	1,494	1,821
Sackville(i)		28 February 2029	10 years	703	790
NESF(i)		30 April 2022 – 30 April 2028	2 – 8 years	1,555	1,987
Sanne Private Clients(i)		30 June 2030	10 years	5,433	6,072
Anson Registrars(i)		28 February 2030	10 years	25	28
RBC cees	31.1	31 March 2033	12 years	20,969	–
INDOS	31.2	31 May 2031	10 years	1,273	–
Segue	31.3	30 September 2031	10 years	1,036	–
perfORM	31.4	30 September 2031	10 years	26	–
Ballybunion	31.5	31 October 2031	10 years	2,494	–
SALI	31.6	31 October 2046	25 years	42,999	–
EFS	31.7	30 November 2031	10 years	1,341	–
Total				**112,785**	**50,202**

(i) Acquisitions in previous years included: Signes S.a.r.l and Signes S.A. ("Signes"), Kleinwort Benson (Channel Islands) Fund Services Limited ("KB Group"), Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA"), International Trust and Wealth Structuring Business of Bank of America ("BAML"), New Amsterdam Cititrust B.V. ("NACT"), Van Doorn B.V. ("Van Doorn"), Minerva Holdings Limited and MHL Holdings S.A. ("Minerva"), Exequtive Partners S.A. ("Exequtive"), Aufisco B.V. ("Aufisco"), Sackville Bank and Trust Company Limited ("Sackville"), NES Financial Corp. ("NESF"), Sanne Private Client Business ("Sanne Private Clients") and Anson Registrars Limited and Anson Registrars (UK) Limited ("Anson Registrars").

(a) Customer relationships acquired in a business combination

Customer relationship intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. In 2021, the Group recognised customer relationship intangible assets as follows: RBC cees £22.37m, INDOS £1.35m, Segue £1.07m, perfORM £0.03m, Ballybunion £2.55m, SALI £43.65m and EFS £1.37m. The UEL and carrying amounts at 31 December 2021 are shown in the previous table.

Key assumptions in determining fair value

The fair value at acquisition was derived using the multi-period excess earnings method ("MEEM") financial valuation model. Management consider the following key assumptions to be significant for the valuation of new customer relationships:

- Year on year revenue growth
- The discount rate applied to free cash flow
- Year on year client attrition rate

Sensitivity analysis

Management carried out a sensitivity analysis on the key assumptions used in the valuation of new customer relationship intangible assets for RBC cees and SALI. For the RBC cees customer relationships, an increase of 2.5% in year on year client attrition rates would decrease fair value by £0.9m. For the SALI customer relationships, an increase of 2.5% in year on year client attrition rates would decrease fair value by £1.4m. A decrease of 2.5% in the forecast year on year revenue growth for years 1 to 5 would result in a decrease in fair value of £3.8m. Management estimate that any other reasonable change to the key assumptions for the new customer relationship intangible assets recognised in the year would not result in a significant change to fair value.

(b) Customer relationship intangibles impairment

Management review customer relationship intangible assets for indicators of impairment at each reporting date and have concluded that no indicators were present as at 31 December 2021.

21.3. SOFTWARE INTANGIBLE ASSETS

(a) Software intangible assets acquired in a business combination

Software intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. In 2021, the Group recognised £1.15m of software intangible assets for the INDOS acquisition.

Key assumptions in determining fair value

The fair value at acquisition was derived using a relief from royalty methodology. Management consider the key assumptions in this model to be the projected revenue growth and the royalty rate applied.

Sensitivity analysis

Management carried out a sensitivity analysis on the key assumptions used in the valuation of new brand intangible assets and have concluded that any reasonable change to the key assumptions would not result in a significant change to fair value.

(b) Software intangible assets impairment

Management review software intangible assets for indicators of impairment at each reporting date and have concluded that no indicators were present as at 31 December 2021.

21.4. BRAND INTANGIBLE ASSETS

(a) Brand intangible assets acquired in a business combination

Brand intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. In 2021, the Group recognised brand intangible assets upon acquisition as follows: SALI £1.61m and INDOS £0.38m.

Key assumptions in determining fair value

The fair value at acquisition was derived using a relief from royalty methodology. Management consider the key assumptions in this model to be the UEL and the royalty rate applied to projected revenue growth.

Sensitivity analysis

Management carried out a sensitivity analysis on the key assumptions used in the valuation of the SALI brand intangible asset. An increase in UEL of 2.5 years would increase fair value by £1.08m and a 1pp decrease to the royalty rate would decrease fair value by £0.8m. Management estimate that any other reasonable change to the key assumptions for the new brand intangible assets recognised in the year would not result in a significant change to fair value.

(b) Brand intangible assets impairment

Management review brand intangible assets for indicators of impairment at each reporting date and have concluded that no indicators were present as at 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

22. OTHER NON-FINANCIAL ASSETS

CONTRACT ASSETS

Incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained) and the costs incurred to fulfil a contract are recognised as a contract cost within non-financial assets if the costs are expected to be recovered. The capitalised costs are amortised on a straight-line basis over the estimated useful economic life of the contract. The carrying amount of contract asset is tested for impairment in accordance with the policy described in note 21.

	2021 £'000	2020 £'000
Non-current		
Prepayments	**42**	99
Contract assets	**516**	204
Total non-current	**558**	303
Current		
Prepayments	**3,468**	2,803
Contract assets	**247**	544
Current tax receivables	**432**	324
Total current	**4,147**	3,671
Total other non-financial assets	**4,705**	3,974

Current and non-current contract assets include £0.6m for costs to obtain a contract (2020: £0.75m) and £0.17m for costs incurred to fulfil a contract (2020: nil). The amortisation charge for the year was £0.66m (2020: £0.64m). Management review contract assets for indicators of impairment at each reporting date and have concluded that no indicators were present at 31 December 2021.

23. DEFERRED TAXATION

For the accounting policy on deferred income tax, see note 11.

The deferred taxation (assets) and liabilities recognised in the consolidated financial statements are set out below:

	2021 £'000	2020 £'000
Deferred tax assets	**(119)**	(104)
Deferred tax liabilities	**24,355**	8,902
	24,236	8,798
Intangible assets	**24,238**	8,784
Other origination and reversal of temporary differences	**(2)**	14
	24,236	8,798

The movement in the year is analysed as follows:

Intangible assets	Note	2021 £'000	2020 £'000
Balance at the beginning of the year		**8,784**	7,528
Recognised through business combinations[i]	31	**17,349**	2,247
Recognised in the consolidated income statement	11	**(1,446)**	(1,102)
Foreign exchange (to other comprehensive income)		**(449)**	111
Balance at 31 December		**24,238**	8,784
Other origination and reversal of temporary differences			
Balance at the beginning of the year		**14**	25
Acquired through acquisitions		**14**	–
Recognised in the consolidated income statement		**(30)**	(11)
Balance at 31 December		**(2)**	14

(i) 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. See note 31.

24. OTHER NON-FINANCIAL LIABILITIES

DEFERRED INCOME

Fixed fees received in advance across all the service lines and up-front fees in respect of services due under contract are time apportioned to respective accounting periods, and those billed but not yet earned are included in deferred income in the consolidated balance sheet. As such liabilities are associated with future services, they do not give rise to a contractual obligation to pay cash or another financial asset.

CONTRACT LIABILITIES

Commissions expected to be paid over the term of a customer contract are discounted and recognised at the net present value. The finance cost is charged to the consolidated income statement over the contract life so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2021 £'000	2020 £'000
Non-current		
Contract liabilities	**179**	311
Current		
Deferred income	**8,205**	4,801
Contract liabilities	**374**	370
Total current	**8,579**	5,171
Total other non-financial liabilities	**8,758**	5,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

25. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the impact of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated income statement.

DILAPIDATIONS

The Group has entered into lease agreements for the rental of office space in different countries. 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 respective lease terms) and to restore wear and tear by repairing and repainting (this is known as "dilapidations"). The estimated cost of the dilapidations payable at the end of each tenancy, unless specified, is generally estimated by reference to the square footage of the building and in consultation with local property agents, landlords and prior experience. Having estimated the likely amount due, a country specific discount rate is applied to calculate the present value of the expected outflow. The provisions are expected to be utilised when the leases expire or upon exit. The discounted dilapidation cost has been capitalised against the leasehold improvement asset in accordance with IFRS 16.

	Dilapidation provisions £'000	Total £'000
At 1 January 2020	1,189	1,189
Additions	528	528
Disposals	(73)	(73)
Unwind of discount	28	28
Amounts utilised	36	36
Impact of foreign exchange	(68)	(68)
At 31 December 2020	1,640	1,640
Additions	**294**	**294**
Unwind of discount	**60**	**60**
Amounts utilised	**(31)**	**(31)**
Impact of foreign exchange	**4**	**4**
At 31 December 2021	**1,967**	**1,967**

Analysis of total provisions:	2021 £'000	2020 £'000
Non-current	**1,720**	1,601
Current	**247**	39
Total	**1,967**	1,640

SECTION 5 – EQUITY

26. SHARE CAPITAL AND RESERVES

26.1. SHARE CAPITAL AND SHARE PREMIUM

The Group's Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary shares are recognised as a deduction from equity, net of any tax effects.

	2021 £'000	2020 £'000
Authorised		
300,000,000 Ordinary shares (2020: 300,000,000 Ordinary shares)	**3,000**	3,000
Called up, issued and fully paid		
147,585,261 Ordinary shares (2020: 122,521,974 Ordinary shares)	**1,476**	1,225

Ordinary shares have a par value of £0.01 each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of JTC PLC.

Movements in Ordinary shares	Note	No. of shares (thousands)	Par value £'000	Share premium £'000
At 1 January 2020		114,068	1,141	100,658
PLC EBT issue		1,146	11	(13)
Acquisition of NESF	31.8	6,747	67	27,813
Acquisition of Exequtive	31.10	561	6	2,364
Movement in the year		8,454	84	30,165
At 31 December 2020		122,522	1,225	130,823
Shares issued for equity raises		**21,618**	**216**	**140,135**
PLC EBT issue		**1,333**	**13**	**(19)**
Acquisition of INDOS	31.2(b)	**177**	**2**	**1,065**
Acquisition of Segue	31.3(b)	**110**	**1**	**789**
Acquisition of Ballybunion	31.5(b)	**77**	**1**	**664**
Acquisition of SALI	31.6(b)	**1,260**	**13**	**8,570**
Acquisition of EFS	31.7(b)	**85**	**1**	**706**
Acquisition of NESF	31.8	**404**	**4**	**3,119**
Movement in the year		**25,064**	**251**	**155,029**
At 31 December 2021		**147,586**	**1,476**	**285,852**

On 5 May 2021, the Company issued 10,626,078 Placing shares at a price of £6.20 per share, raising gross proceeds of £65.9m for the Company. On 11 October 2021, the Company issued 10,991,543 Placing shares at a price of £7.18 per share, raising gross proceeds of £78.9m for the Company. The share issuance costs for both equity raises were £1.99m and £2.46m respectively. The Placing shares are fully paid and rank pari passu in all respects with the existing shares, including the right to receive all dividends and other distributions declared, made or paid after the issue date.

On 1 July 2021, the Company issued an additional 1,333,248 Ordinary shares in order for PLC EBT to satisfy future exercises of awards granted to beneficiaries (27 April 2020: 1,146,291 Ordinary shares).

For detailed information on Ordinary shares issued for business combinations in the current and prior year, see note 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

26. SHARE CAPITAL AND RESERVES (CONTINUED)
26.2. OWN SHARES

Own shares represent the shares of the Company that are unallocated and currently held by PLC EBT. They 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 for the purchase or sale of the Company's own shares is shown as a movement in shareholders' equity.

Movements in Ordinary shares	Note	No. of shares (thousands)	PLC EBT £'000
At 1 January 2020		2,161	3,027
PLC EBT issue	26.1	1,146	11
Purchase of own shares		10	46
Movement in year		1,157	57
At 31 December 2020		3,317	3,084
EIP awards	36.1	**(1,545)**	**–**
PSP and DBSP awards	36.1	**(252)**	**–**
PLC EBT issue	26.1	**1,333**	**13**
Acquisition of Segue	31.3(b)	**26**	**–**
Acquisition of Ballybunion	31.5(b)	**30**	**–**
Acquisition of SALI	31.6(b)	**215**	**–**
Purchase of own shares		**47**	**269**
Movement in year		**(146)**	**282**
At 31 December 2021		**3,171**	**3,366**

Share awards
On 22 July 2021, as part of the EIP, 1,544,950 Ordinary shares were exercised by employees of the Company.

During the current year, 249,758 Ordinary shares were exercised by employees of the Company for fully vested PSP and DBSP awards.

Other movements
On 11 October 2021, as part of the consideration for Segue and Ballybunion, 25,844 and 29,865 Ordinary shares respectively were purchased for PLC EBT; this is shown within cash consideration.

On 8 December 2021, as part of the consideration for SALI, 214,585 Ordinary shares were purchased for PLC EBT; this is shown within cash consideration.

Purchase of own shares
Shares were purchased for PLC EBT using its surplus cash held as a result of dividend income.

26.3. OTHER RESERVES
Capital reserve
This reserve is used to record the gains or losses recognised on the purchase, sale, issue or cancellation of the Company's own shares, which may arise from capital transactions by the Group's Employee Benefit Trust as well as any movements in share-based awards to employees (see note 36).

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Retained earnings
Retained earnings includes accumulated profits and losses.

27. DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Interim dividends are recognised when paid.

The following dividends were declared and paid by the Company for the year:

	2021 £'000	2020 £'000
Final dividend for 2019 of 3.6p per qualifying Ordinary share	**–**	4,288
Interim dividend for 2020 of 2.4p per qualifying Ordinary share	**–**	2,858
Final dividend for 2020 of 4.35p per qualifying Ordinary share	**5,670**	–
Interim dividend for 2021 of 2.6p per qualifying Ordinary share	**3,421**	–
Total dividend declared and paid	**9,091**	7,146

SECTION 6 – RISK

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are regularly evaluated based on historical experience, current circumstances, expectation of future events and other factors that are considered to be relevant. Actual results may differ from these estimates. Management continue to be vigilant in monitoring for any potential effects whilst uncertainties relating to the Covid-19 pandemic remain.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

The following are the critical judgements and estimates that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

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

Recognition of separately identifiable intangibles

In 2021, the Group made seven acquisitions and, in accordance with IFRS 3 'Business Combinations', management are required to identify assets and liabilities purchased, including intangible assets. Following their assessment, management concluded that the intangible assets meeting the recognition criteria were customer relationships, brand and software. The fair value at acquisition date is as follows:

Acquisition	Note	Customer relationships £'000	Software £'000	Brands £'000
RBC cees	31.1	22,367	–	–
INDOS	31.2	1,352	1,150	383
Segue	31.3	1,073	–	–
perfORM	31.4	27	–	–
Ballybunion	31.5	2,553	–	–
SALI	31.6	43,647	–	1,610
EFS	31.7	1,374	–	–

Extension options on leases

Many of the leases for office space contain extension options as these provide operational flexibility. The Group assesses at each reporting period if they are reasonably certain that an extension option will be exercised. Such assessment involves judgement and is based on the information available at the time the assessments are made. This includes the following factors: the length of time remaining before the option is exercisable, current trading, future trading forecasts and business plans for the jurisdiction taking into account any potential business combinations. As at the reporting date, management have assessed the extension options available in their leases and have deemed they cannot be reasonably certain at this time that they would exercise the extension options.

28.2. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Recoverability of WIP

To assess the fair value of consideration received for services rendered, management are required to make an assessment of the net unbilled amount expected to be collected from clients for work performed to date. To make this assessment, WIP balances are reviewed regularly on a by-client basis and the following factors are taken into account: the ageing profile of the WIP, the agreed billing arrangements, value added and status of the client relationship. See note 13 for the sensitivity analysis.

Goodwill impairment – key assumptions used to calculate the recoverable amount for each CGU

Goodwill is tested annually for impairment and the recoverable amount of CGUs is determined based on a value in use calculation using cash flow projections containing key assumptions. See note 21.1 for further detail on key assumptions and sensitivity analysis.

Fair value of customer relationship intangibles

The customer relationship intangible assets are valued using the MEEM financial valuation model. Cash flow forecasts and projections are produced by management and form the basis of the valuation analysis. Other key estimates and assumptions used in the modelling to derive the fair values include: year on year growth rates, client attrition rates, EBIT margins and the discount rate applied to free cash flow. See note 21.2(a) for the sensitivity analysis.

Fair value of earn-out consideration for SALI

To derive the fair value of the earn-out contingent consideration, management assessed the likelihood of achieving pre-defined revenue targets across a two year period to determine the value of contingent consideration. Management consider the forecast revenue to be the key assumption in the calculation of the fair value. See note 31.6(b) for the sensitivity analysis.

Fair value of SALI brand

To derive the fair value of the brand acquired as part of the SALI acquisition, a relief from royalty valuation methodology was used. Management consider the key assumptions in this model to be the UEL and the royalty rate applied to projected revenue growth. See note 21.4(a) for the sensitivity analysis.

29. FINANCIAL RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group is exposed to risks that arise from the use of its financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

PRINCIPAL FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows. All are classified as measured at amortised cost:

	Note	2021 £'000	2020 £'000
Financial assets – measured at amortised cost			
Trade receivables	12	**28,870**	17,230
Work in progress	13	**12,834**	11,431
Accrued income	14	**19,587**	13,382
Other receivables	15	**3,078**	4,432
Cash and cash equivalents	16	**39,326**	31,078
		103,695	77,553
Financial liabilities – measured at amortised cost			
Trade and other payables	17	**41,835**	11,366
Loans and borrowings	18	**152,578**	106,832
Lease liabilities	19	**43,379**	43,369
		237,792	161,567
Financial liabilities – measured at fair value			
Trade and other payables(i)	17	**1,342**	23,345
		1,342	23,345

(i) All financial assets and liabilities are measured at amortised cost which is deemed to be representative of fair value. The exception to this is liability-classified contingent consideration of £1.3m for perfORM (see note 31.4) and £23.35m for NESF in the prior year that was measured at fair value in line with IAS 32. As at 31 December 2021, management have concluded that the earn-out thresholds would not be met for NESF and no further consideration would be payable (see note 31.8).

Management considered the following fair value hierarchy levels in line with IFRS 13.

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.
- Level 3 – Inputs are unobservable inputs for the asset or liability.

Management concluded that the contingent consideration was classified under the level 3 inputs of the fair value hierarchy.

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for determining the Group's financial risk management objectives and policies and, whilst retaining ultimate responsibility for them, it delegates the authority for designing and operating processes that ensure effective implementation of the objectives and policies to management, in conjunction with the Group's finance department.

The financial risk management policies are considered on a regular basis to ensure that these are in line with the overall business strategies and the Board's risk management philosophy. The overall objective is to set policies to minimise risk as far as possible without adversely affecting the Group's financial performance, competitiveness and flexibility.

GENERAL OBJECTIVES, POLICIES AND PROCESSES

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29.1. MARKET RISK

Market risk arises from the Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that changes in interest rates (interest rate risk) or foreign exchange rates (currency risk) will affect the Group's future cash flows or the fair value of the financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk management

Foreign currency risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in the required currency will, where possible and ensuring no adverse impact on local regulatory capital adequacy requirements (see note 30), be transferred from elsewhere in the Group.

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities when the revenue or expenses are denominated in a different currency from the Group's functional and presentation currency of pounds sterling ("£"). For trading entities that principally affect the profit or net assets of the Group, the exposure is mainly from Euro, US dollar and South African rand. The Group's bank loans were denominated in £ and Euros, and following the refinancing during 2021 they are all now denominated in £, although the facility is multicurrency.

As at 31 December 2021, the Group's exposure to the Group's material foreign currency denominated financial assets and liabilities is as follows:

	£		Euro		US dollar		South African rand	
Net foreign currency assets/(liabilities)	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Trade receivables	**18,048**	9,966	**1,712**	2,936	**5,031**	3,949	**–**	10
Work in progress	**10,327**	8,760	**1,518**	1,530	**1,062**	907	**–**	–
Accrued income	**9,499**	7,158	**1,243**	454	**8,207**	5,523	**94**	–
Other receivables	**1,141**	561	**317**	416	**1,487**	3,285	**13**	–
Cash and cash equivalents	**11,361**	7,812	**7,418**	10,134	**19,178**	11,789	**892**	619
Trade and other payables	**(11,665)**	(28,324)	**(4,070)**	(1,720)	**(25,840)**	(2,134)	**(380)**	(990)
Loans and borrowings	**(152,578)**	(79,207)	**–**	(25,169)	**–**	(2,456)	**–**	–
Lease liabilities	**(28,149)**	(26,440)	**(9,387)**	(11,401)	**(3,986)**	(4,243)	**(846)**	(139)
Total net exposure	**(142,016)**	(99,714)	**(1,249)**	(22,820)	**5,139**	16,620	**(227)**	(500)

In order to implement and monitor this policy, management receive a monthly analysis showing cash reserves by individual Group entities and in major currencies together with information on expected liabilities due for settlement. The effectiveness of this policy is measured by the number of resulting cash transfers made between entities and any necessary foreign exchange trades. Management consider this policy to be working effectively but continues to regularly assess if a foreign currency hedge is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. MARKET RISK (CONTINUED)

Foreign currency risk sensitivity

The following table illustrates the possible effect on comprehensive income for the year and net assets arising from a 10% strengthening or weakening of pounds sterling against other currencies.

	Strengthening/ (weakening) of pounds sterling(i)	Effect on comprehensive income and net assets 2021 £'000	2020 £'000
Euro	+20%	**208**	3,804
US dollars	+20%	**(857)**	(2,770)
South African rand	+20%	**38**	83
Total		**(611)**	1,117
Euro	(20%)	**(312)**	(5,705)
US dollars	(20%)	**1,285**	4,155
South African rand	(20%)	**(57)**	(125)
Total		**916**	(1,675)

(i) Holding all other variables constant.

Interest rate risk management and sensitivity

The Group is exposed to interest rate risk as it borrows all funds at floating interest rates. The interest rate applied to loan facilities was previously determined using LIBOR and EURIBOR plus a margin based on net leverage calculations. Following the refinancing on 6 October 2021 (see note 18.1), the interest rate applied to loan facilities is determined using SONIA plus a margin based on net leverage calculations. The impact of this replacement is not deemed to be material. The interest rate risk is managed by the Group maintaining an appropriate leverage ratio and through this ensuring that the interest rate is kept as low as possible.

The interest fluctuations have historically been low, which has minimised the Group's exposure to interest rate fluctuations. As a result, no hedging instruments have been put in place.

Sensitivity analysis for variable rate instruments

An increase/decrease of 50 basis points in interest rates on loans and borrowing with floating interest rates would have decreased/increased the profit and loss before tax by £778k (2020: £528k). This analysis assumes that all other variables remain constant.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

29.2. CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss to the Group should a customer or counterparty to a financial instrument fail to meet its contractual obligations. The Group's principal exposure to credit risk arises from contracts with customers and therefore the following financial assets: trade receivables, work in progress and accrued income (together "customer receivables").

The Group manages credit risk for each new customer by giving consideration to the risk of insolvency or closure of the customer's business, current or forecast liquidity issues and general creditworthiness (including past default experience of the customer or customer type).

Subsequently, customer credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. Specific provisions incremental to ECL are made when there is objective forward-looking evidence that the Group will not be able to bill the customer in line with the contract or collect the debts arising from previous invoices. This evidence can include the following: indication that the customer is experiencing significant financial difficulty or default, probability of bankruptcy, problems in contacting the customer, disputes with a customer, or similar factors. This analysis is performed on a customer-by-customer basis. For more commentary on this, the ageing of trade receivables and the provisions thereon at the year end, including the movement in the provision, see note 12.

Credit risk in relation to other receivables is considered for each separate contractual arrangement by management. As these are primarily with related parties the risk of the counterparty defaulting is considered to be low.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Cash and cash equivalents are held mainly with banks which are rated 'A-' or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long-term credit rating.

The financial assets are subject to the impairment requirements of IFRS 9, for further detail of how this is assessed and measured, see notes 12 to 16.

Credit risk exposure

Trade receivables, work in progress and accrued income result from the provision of services to a large number of customers (individuals and corporate), spread across different industries and geographies. The gross carrying amount of financial assets represents the maximum credit exposure and as at the reporting date this can be summarised as follows:

	Total 2021 £'000	**Loss allowance 2021 £'000**	**Net 2021 £'000**	Total 2020 £'000	Loss allowance 2020 £'000	Net 2020 £'000
Trade receivables	**33,701**	**(4,831)**	**28,870**	22,122	(4,892)	17,230
Work in progress	**12,906**	**(72)**	**12,834**	11,491	(60)	11,431
Accrued income	**19,621**	**(34)**	**19,587**	13,400	(18)	13,382
Other receivables	**3,078**	**–**	**3,078**	4,432	–	4,432
Cash and cash equivalents	**39,326**	**–**	**39,326**	31,078	–	31,078
	108,632	**(4,937)**	**103,695**	82,523	(4,970)	77,553

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.3. LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk to maintain adequate reserves by regular review around the working capital cycle using information on forecast and actual cash flows.

The Board is responsible for liquidity risk management and they have established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. Regulation in most jurisdictions also requires the Group to maintain a level of liquidity in order that the Group does not become exposed.

Liquidity tables

The tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment years. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2021	**<3 months £'000**	**3 – 12 months £'000**	**1 – 5 years £'000**	**>5 years £'000**	**Total contractual cash flow £'000**
Loans and borrowings[(i)]	**510**	**2,548**	**161,013**	**–**	**164,071**
Trade payables and accruals	**13,483**	**–**	**1,047**	**–**	**14,530**
Contingent consideration	**177**	**4,196**	**23,002**	**–**	**27,375**
Lease liabilities	**1,644**	**4,932**	**21,119**	**25,056**	**52,751**
Total	**15,814**	**11,676**	**206,181**	**25,056**	**258,727**

2020	<3 months £'000	3 – 12 months £'000	1 – 5 years £'000	>5 years £'000	Total contractual cash flow £'000
Loans and borrowings	2,814	1,786	108,273	–	112,873
Trade payables and accruals	10,680	–	311	–	10,991
Contingent consideration	–	153	–	–	153
Lease liabilities	1,295	3,885	19,477	27,345	52,002
Total	14,789	5,824	128,061	27,345	176,019

(i) This includes the future interest payments not yet accrued and the repayment of capital upon maturity.

30. CAPITAL MANAGEMENT

RISK MANAGEMENT

The Group's objective for managing capital is to safeguard the ability to continue as a going concern, while maximising the return to shareholders through the optimisation of the debt and equity balance and to ensure that capital adequacy requirements are met for local regulatory requirements at entity level.

The managed capital refers to the Group's debt and equity balances. For quantitative disclosures, see note 18 for loans and borrowings and note 26 for share capital.

LOAN COVENANTS

The Group has bank loans which require it to meet leverage and interest cover covenants. In order to achieve the Group's capital risk management objective, the Group aims to ensure that it meets financial covenants attached to bank borrowings. Breaches in meeting the financial covenants would permit the lender to immediately recall the loan. In line with the new loan agreement the Group tests compliance with the financial covenants on a bi-annual basis.

Under the terms of the new loan facility, the Group is required to comply with the following financial covenants:

- Leverage (being the ratio of total net debt to underlying EBITDA (for LTM at average FX rates and adjusted for pro-forma contributions from acquisitions) for a relevant period) must not be more than 3:1)
- Interest cover (being the ratio of EBITDA to net finance charges must not be less than 4:1)

The Group has complied with all financial covenants throughout the reporting period.

CAPITAL ADEQUACY

Individual regulated entities within the Group are subject to regulatory requirements to ensure adequate capital and liquidity to meet local requirements in Jersey, Guernsey, Ireland, the Isle of Man, the UK, the US, Switzerland, the Netherlands, Luxembourg, Mauritius, South Africa and the Caribbean; all are monitored regularly to ensure compliance. There have been no breaches of applicable regulatory requirements during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

SECTION 7 – GROUP STRUCTURE

31. BUSINESS COMBINATIONS

A business combination is defined as a transaction or other event in which an acquirer obtains control of one or more businesses. Where the business combination does not include the purchase of a legal entity but the transaction includes acquired inputs and processes applied to those inputs in order to generate outputs, the transaction is also considered a business combination.

The Group applies the acquisition method to account for business combinations. The consideration transferred in an acquisition comprises the fair value of assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. Acquisition-related costs are recognised in the consolidated income statement as non-underlying items within operating expenses.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a gain on bargain purchase.

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

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

31.1. RBC CEES LIMITED (“RBC CEES”)

On 6 April 2021, JTC (Jersey) Limited entered into an agreement to acquire 100% of the share capital of RBC cees from RBC Holdings (Channel Islands) Limited, part of RBC Wealth Management. RBC cees provides a market-leading employee benefits platform for an internationally diverse blue chip corporate client base. The acquisition is complementary to JTC’s existing corporate and Trustee services and significantly enhances the Group’s employee benefits offering.

Regulatory approval for the transaction was received on 19 February 2021 and 24 March 2021 from the Guernsey and Jersey Financial Services Commissions respectively and consideration was transferred on 6 April 2021. The results of the acquired business have been consolidated from 6 April 2021 as management concluded that this was the date control was obtained by the Group.

The acquired business contributed revenues of £16.6m and underlying profit before tax (before central costs have been applied) of £8.8m to the Group for the period from 6 April 2021 to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £153m and £26.2m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	£’000
Property, plant and equipment	855
Intangible assets – Customer relationships	22,367
Trade receivables	1,609
Accrued income	4,698
Cash and cash equivalents	4,083
Assets	**33,612**
Deferred income	3,901
Deferred tax liabilities	2,237
Trade and other payables	1,953
Liabilities	**8,091**
Total identifiable net assets	**25,521**

Between the acquisition date and 31 December 2021, the following fair value adjustments were made to identifiable assets acquired:

- To recognise £0.515m of additional accrued income for pre-acquisition fees and retrocession income
- To accrue £0.05m for additional third party administration fees due
- To write off £3.1m of deferred tax assets

(b) Consideration

Consideration for the acquisition was cash of £20.164m with £20m paid upon completion and £0.164m thereafter for purchase price adjustments.

(c) Goodwill

	£’000
Total consideration	20,164
Less: fair value of identifiable net assets	(25,521)
Negative goodwill	**(5,357)**

Negative goodwill represents a bargain purchase. This is supported by: (i) the synergies management expect to realise and (ii) the transaction price being impacted by RBC cees previously suffering from high central cost allocations and that the acquired business was viewed as non-core by the sellers.

(d) Impact on cash flow

	£’000
Cash consideration	20,164
Less: cash balances acquired	(4,083)
Net cash outflow from acquisition	**16,081**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £1.83m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group’s consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

31. BUSINESS COMBINATIONS (CONTINUED)
31.2. INDOS FINANCIAL LIMITED ("INDOS")
On 1 June 2021, JTC acquired 100% of INDOS, a privately owned UK and Irish based specialist provider of depositary and other high value services for alternative investment funds. This acquisition adds further technical expertise in the fund services business line within the ICS Division and directly adds scale in the UK and Ireland, two growth jurisdictions.

Regulatory approval for the transaction was received on 24 May 2021 from the Financial Conduct Authority and consideration was transferred on 1 June 2021. The results of the acquired business have been consolidated from 1 June 2021 as management concluded that this was the date control was obtained by the Group.

The acquired business contributed revenues of £2.3m and underlying profit before tax (before central costs have been applied) of £0.1m to the Group for the period from 1 June to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £149.1m and £25m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition
The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	£'000
Property, plant and equipment	111
Intangible assets – Brand	383
Intangible assets – Customer relationships	1,352
Intangible assets – Software	1,150
Trade receivables	573
Other receivables	115
Cash and cash equivalents	584
Assets	**4,268**
Deferred income	9
Deferred tax liabilities	703
Trade and other payables	422
Lease liabilities	95
Liabilities	**1,229**
Total identifiable net assets	**3,039**

(b) Consideration

	£'000
Cash consideration	10,019
Equity instruments(i)	1,080
Contingent consideration – Earn-out(ii)	1,192
Deferred consideration relating to aged receivables	37
Fair value of total consideration	**12,328**

(i) On 4 June 2021, the Company issued and admitted an additional 176,783 Ordinary shares at fair value to satisfy the equity element of initial consideration.

(ii) Contingent consideration of £1.5m is payable subject to JTC PLC meeting an underlying EPS target for the period ending 31 December 2022. Based on historic performance and the forecast for 2022, management anticipate this will be paid in full. The consideration is payable in equity and is subject to a one year lock in period which expires on 31 December 2023. The amount payable has been discounted to its present value of £1.19m.

(c) Goodwill

	£'000
Total consideration	12,328
Less: fair value of identifiable net assets	(3,039)
Goodwill	**9,289**

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

(d) Impact on cash flow

	£'000
Cash consideration paid	10,019
Less: cash balances acquired	(584)
Net cash outflow from acquisition	**9,435**

(e) Acquisition-related costs
The Group incurred acquisition-related costs of £0.6m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

31. BUSINESS COMBINATIONS (CONTINUED)

31.3. SEGUE PARTNERS LLC ("SEGUE")

On 15 September 2021, JTC entered into an agreement to acquire 100% of the membership interest of Segue, an innovative fund services provider headquartered in St. Louis, Missouri, US. The business provides a range of sophisticated fund solutions to meet the needs of private equity, venture capital, debt funds and family offices. Segue also delivers accounting services specifically designed to meet the needs of entrepreneurs, portfolio companies and start-ups.

The acquired business contributed revenues of £0.3m and underlying loss before tax (before central costs have been applied) of £0.03m to the Group for the period from 15 September 2021 to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £148.6m and £25.1m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	$'000	£'000
Property, plant and equipment	321	239
Intangible assets – Customer relationships	1,441	1,073
Trade receivables	68	51
Other receivables	12	9
Cash and cash equivalents	320	238
Assets	**2,162**	**1,610**
Deferred tax liabilities	359	267
Trade and other payables	244	182
Lease liabilities	264	197
Liabilities	**867**	**646**
Total identifiable net assets	**1,295**	**964**

(b) Consideration

	$'000	£'000
Cash consideration	5,171	3,837
Equity instruments(i)	1,111	803
Contingent consideration – Earn-out(ii)	2,164	1,611
Fair value of total consideration at acquisition	**8,446**	**6,251**

(i) On 17 September 2021, the Company issued and admitted an additional 109,741 Ordinary shares at fair value to satisfy the equity element initial consideration.

(ii) Contingent consideration of £2.2m ($3m) is subject to Segue meeting adjusted EBITDA targets for the calendar years 2022 and 2023. Based on the historical performance of the business and management's view of expected adjusted EBITDA, it is anticipated that this will be paid in full. The estimated contingent consideration has been discounted to its present value of £1.6m ($2.2m) and is payable in a 80%/20% ratio of cash and JTC PLC Ordinary shares.

(c) Goodwill

	$'000	£'000
Total consideration	8,446	6,251
Less: fair value of identifiable net assets	(1,295)	(964)
Goodwill	**7,151**	**5,287**

(d) Impact on cash flow

	$'000	£'000
Cash consideration paid	5,171	3,837
Less: cash balances acquired	(320)	(238)
Net cash outflow from acquisition	**4,851**	**3,599**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £0.33m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

31. BUSINESS COMBINATIONS (CONTINUED)

31.4 PERFORM DUE DILIGENCE SERVICES LIMITED ("PERFORM")

On 18 October 2021, JTC entered into an agreement to purchase 100% of the membership interest of perfORM, a London based technology-led provider of due diligence services for a diverse base of UK and international investment managers and allocators.

The acquired business contributed revenues of £0.1m and underlying loss before tax (before central costs have been applied) of £0.1m to the Group for the period from 18 October 2021 to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £147.9m and £24.3m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	£'000
Intangible assets – Customer relationships	27
Work in progress	43
Assets	**70**
Trade and other payables	13
Deferred tax liabilities	6
Liabilities	**19**
Total identifiable net assets	**51**

(b) Consideration

	£'000
Cash consideration	53
Contingent consideration – Earn-out[(i)]	2,685
Fair value of total consideration at acquisition	**2,738**

(i) The earn-out contingent consideration is calculated based on a multiple of perfORM's underlying EBITDA for the year ended 31 December 2024, up to a maximum of £6m. To calculate the anticipated earn-out at the acquisition date, management applied a probability weighting to EBITDA forecasts and, based on their assessment, it is estimated that £4.44m will be due, payable in a 50%/50% ratio of cash and JTC PLC Ordinary shares. To determine the fair value of the 283 JTC Ordinary shares, an estimated share price was calculated using a Monte Carlo simulation based on JTC's share price at acquisition and historical volatility, adjusted for any projected dividend payments and then discounted using an appropriate risk free rate. This derived a share price estimate of £7.99 to be applied to the number of shares to determine a fair value at acquisition of £2.26m in addition to the cash proportion of £2.22m. The total estimated earn-out contingent consideration due of £4.48m was then discounted to a present value of £2.68m.

(c) Goodwill

	£'000
Total consideration	2,738
Less: fair value of identifiable net assets	(51)
Goodwill	**2,687**

(d) Impact on cash flow

	£'000
Cash consideration paid	53
Less: cash balances acquired	–
Net cash outflow from acquisition	**53**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £0.06m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

31. BUSINESS COMBINATIONS (CONTINUED)

31.5. BALLYBUNION CAPITAL LIMITED ("BALLYBUNION")

On 26 March 2021, JTC entered into an agreement to acquire the share capital of Ballybunion, a boutique asset manager based in Dublin that provides management and regulatory oversight services to investment funds. Regulatory approval for the transaction was received on 7 September 2021 but the results of the acquired business have been consolidated from 3 November 2021 as management concluded that this was the date control was obtained by the Group.

The acquired business contributed revenues of £0.35m and underlying profit before tax (before central costs have been applied) of £0.1m to the Group for the period from 3 November 2021 to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £149.1m and £25.7m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	€'000	£'000
Property, plant and equipment	47	40
Intangible assets – Customer relationships	3,023	2,553
Accrued income	38	32
Other receivables	16	14
Cash and cash equivalents	1,510	1,276
Assets	**4,634**	**3,915**
Deferred income	218	184
Deferred tax liabilities	378	319
Trade and other payables	237	200
Corporation Tax	65	55
Lease liabilities	37	31
Liabilities	**935**	**789**
Total identifiable net assets	**3,699**	**3,126**

(b) Consideration

	€'000	£'000
Cash consideration	11,409	9,677
Equity instruments(i)	780	665
Contingent consideration – Earn-out(ii)	1,200	1,014
Contingent consideration – Put/call option(iii)	669	565
Fair value of total consideration at acquisition	**14,058**	**11,921**

(i) On 2 December 2021, the Company issued and admitted an additional 77,225 Ordinary shares at fair value to satisfy the equity element of initial consideration.

(ii) Contingent consideration of £1.3m (€1.5m) is payable subject to meeting an underlying EBITDA target for the period ended 30 June 2022. Based on the historical performance of the business and management's view of expected future EBITDA, it is anticipated that this will be paid in full. The amount payable has been discounted to its present value of £1m (€1.2m).

(iii) JTC entered into a put/call option agreement to acquire the remaining 5% of equity in Ballybunion for a value of £0.6m (€0.7m). The agreement has a maturity date of 1.5 years from the date of acquisition and it is management's view that this option will be exercised.

(c) Goodwill

	€'000	£'000
Total consideration	14,058	11,921
Less: fair value of identifiable net assets	(3,699)	(3,126)
Goodwill	**10,359**	**8,795**

(d) Impact on cash flow

	€'000	£'000
Cash consideration paid	11,427	9,692
Less: cash balances acquired	(1,510)	(1,276)
Net cash outflow from acquisition	**9,917**	**8,416**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £0.2m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

31. BUSINESS COMBINATIONS (CONTINUED)

31.6. SALI FUND MANAGEMENT, LLC AND SALI GP HOLDINGS, LLC ("SALI")

On 12 November 2021, JTC entered into an agreement to acquire 100% of the share capital in SALI Fund Management, LLC and SALI GP Holdings, LLC (together "SALI"). SALI is a US based and market-leading provider of fund services to the Insurance Dedicated Fund and Separately Managed Account market and provides a sophisticated turn-key solution for the creation and administration of these products.

The acquired business contributed revenues of £1.6m and underlying profit before tax (before central costs have been applied) of £0.8m to the Group for the period from 12 November 2021 to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £157.4m and £29.6m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	$'000	£'000
Property, plant and equipment	405	303
Intangible assets – Customer relationships	58,334	43,647
Intangible assets – Brand	2,152	1,610
Trade receivables	2,836	2,122
Loan receivable	308	230
Other receivables	166	124
Cash and cash equivalents	2,003	1,499
Assets	**66,204**	**49,535**
Deferred income	1,320	987
Deferred tax liabilities	17,964	13,441
Trade and other payables	1,572	1,176
Loan payable	389	291
Lease liabilities	321	240
Liabilities	**21,566**	**16,135**
Total identifiable net assets	**44,638**	**33,400**

(b) Consideration

	$'000	£'000
Cash consideration	193,593	144,791
Equity instruments[(i)]	11,471	8,583
Contingent consideration – EBT contribution[(ii)]	2,500	1,871
Contingent consideration – Closing payment[(iii)]	212	159
Contingent consideration – Earn-out[(iv)]	25,258	18,899
Fair value of total consideration at acquisition	**233,034**	**174,303**

(i) On 19 November 2021, the Company issued and admitted an additional 1,260,457 Ordinary shares at fair value to satisfy the equity element of initial consideration.
(ii) This relates to a £1.9m ($2.5m) contribution to PLC EBT due to be paid during 2022.
(iii) This relates to a £0.2m ($0.2m) purchase price adjustment due to be paid during 2022.
(iv) A total of up to £23.6m ($31.5m) is payable subject to meeting revenue targets for the two year period following acquisition. Based on management's assessment of the budgeted forecast for the period, it is estimated that the contingent consideration payable will be £23.6m ($31.5m), therefore meeting the earn-out in full. The amount payable in cash has been discounted to its present value of £18.9m ($25.3m).

Sensitivity analysis on fair value of earn-out consideration

Management carried out a sensitivity analysis on the output of the key assumptions and estimates used to calculate the fair value of the earn-out contingent consideration. Management consider the key assumption and estimate to be forecast revenue for the two year period. A decrease in the forecast revenue of 10% would decrease the earn-out contingent consideration by £2.3m ($3.2m). Discounted to its present value, this would be equal to a £1.9m ($2.6m) decrease.

(c) Goodwill

	$'000	£'000
Total consideration	233,034	174,303
Less: fair value of identifiable net assets	(44,638)	(33,400)
Goodwill	**188,396**	**140,903**

(d) Impact on cash flow

	$'000	£'000
Cash consideration paid	193,593	144,791
Less: cash balances acquired	(2,003)	(1,499)
Net cash outflow from acquisition	**191,590**	**143,292**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £3.17m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

31. BUSINESS COMBINATIONS (CONTINUED)

31.7. ESSENTIAL FUND SERVICES, LLC ("EFS")

On 15 December 2021, JTC entered into an agreement to acquire 100% of the membership interest in Essential Fund Services LLC. EFS is a fund services provider, a Delaware limited liability company headquartered in New York, US. The business provides a broad range of services in the alternative assets space, including accounting, reporting and administrative services to investment partnerships and their investment managers.

The acquired business contributed revenues of £0.05m and profit before tax (before central costs have been applied) of £0.03m to the Group for the period from 15 December 2021 to 31 December 2021. If the business had been acquired on 1 January 2021, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £148.8m and £25.2m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	$'000	£'000
Property, plant and equipment	108	82
Intangible assets – Customer relationships	1,818	1,374
Trade receivables	57	43
Other receivables	5	4
Cash and cash equivalents	252	191
Assets	**2,240**	**1,694**
Deferred income	62	47
Deferred tax liabilities	514	389
Trade and other payables	202	152
Lease liabilities	108	82
Liabilities	**886**	**670**
Total identifiable net assets	**1,354**	**1,024**

(b) Consideration

	$'000	£'000
Cash consideration	7,589	5,745
Equity instruments(i)	932	705
Contingent consideration(ii)	25	19
Fair value of total consideration at acquisition	**8,546**	**6,469**

(i) On 6 December 2021, the Company issued and admitted an additional 84,619 Ordinary shares at fair value to satisfy the equity element of initial consideration.

(ii) Contingent consideration of £0.02m ($0.03m) is payable following a reconciliation of the closing cash reserve.

(c) Goodwill

	$'000	£'000
Total consideration	8,546	6,469
Less: fair value of identifiable net assets	(1,354)	(1,024)
Goodwill	**7,192**	**5,445**

(d) Impact on cash flow

	$'000	£'000
Cash consideration paid	7,589	5,745
Less: cash balances acquired	(252)	(191)
Net cash outflow from acquisition	**7,337**	**5,554**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £0.22m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

31.8. NES FINANCIAL CORP ("NESF")

On 29 April 2020, JTC acquired 100% of NESF, a US based, technology-enabled, market-leading provider of specialist fund administration services. On 4 May 2020, the Company issued and admitted an additional 6,746,623 Ordinary shares at fair value to satisfy the initial consideration payable.

The transaction included an earn-out and an indemnification holdback, both of which are liability-classified contingent consideration. Management are required to assess and update the fair value of both at each reporting date. At 31 December 2020, the values were as follows: earn-out £20.91m ($26.69m) and indemnification holdback £2.44m ($3.11m). In light of trading since 1 January 2021, management have reassessed these and concluded as follows:

(i) The earn-out contingent consideration was subject to NESF meeting certain EBITDA thresholds across assessment periods 1 June 2020 to 31 May 2021 ("earn-out AP1") and 1 June 2021 to 31 May 2022 ("earn-out AP2"). As management had anticipated, the required threshold for earn-out AP1 was not met. For earn-out AP2, the forecast scenarios were revisited at 31 December 2021. In light of the continued impact of the Covid-19 pandemic on trading, management have concluded that this threshold would also not be met and therefore no earn-out contingent consideration would be payable. As a result, a gain on revaluation of £20.91m is recognised in other gains/(losses) in the consolidated income statement (see note 9).

(ii) On 25 November 2021, the indemnification holdback consideration was approved for release and the Company issued and admitted an additional 403,593 Ordinary shares at a fair value of £3.14m. As a result, a loss on settlement of £0.7m is recognised in other gains/(losses) in the consolidated income statement (see note 9).

31.9. SANNE PRIVATE CLIENT BUSINESS ("SANNE PRIVATE CLIENTS")

On 1 July 2020, JTC acquired 100% of Sanne Private Clients, the private client services division of Sanne PLC ("Sanne"), the division providing specialist expertise in fiduciary, administration and family office services.

The consideration payable for the shares was a completion payment of £12m less a non-transferred client adjustment; a net balance due for working capital would also be payable/receivable when completion accounts were available. Following an assessment of the actual transferring revenue at completion (including any subsequently transferred clients), the purchase price adjustment for non-transferring clients reduced the fair value of total consideration to £9.12m. During 2021, following agreement between both parties of the net balance due for working capital, £0.465m was received by JTC, reducing the total cash consideration to £8.65m.

31.10. EXEQUTIVE PARTNERS S.A. ("EXEQUTIVE")

On 8 April 2020, the Company issued and admitted an additional 560,707 Ordinary shares at fair value to satisfy the final earn-out consideration payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

32. INVESTMENTS

The Group's interest in other entities includes an associate and an investment held at cost.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. The Group's interest in an equity-accounted investee solely comprises of an interest in an associate.

Investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise the Group's share of post-acquisition profits or losses in the consolidated income statement within EBITDA, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 21.

Where the Group has an interest in an entity but does not have significant influence, the investment is held at cost.

The following table details the associate and an investment the Group holds as at 31 December 2021. The entities listed have share capital consisting solely of Ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

				% of ownership interest		Carrying amount	
Name of entity	Country of incorporation	Nature of relationship	Measurement method	2021 %	2020 %	2021 £'000	2020 £'000
Kensington International Group Pte. Ltd	Singapore	Associate(i)	Equity method	42	42	1,847	1,483
Harmonate Corp.	US	Investment(ii)	Cost method	16	16	791	791
Total investments						**2,638**	2,274

(i) Kensington International Group Pte. Ltd ("KIG") provides corporate, fiduciary, trust and accounting services and is a strategic partner of the Group, providing access to new clients and markets in the Far East.
(ii) Harmonate Corp. ("Harmonate") provides fund operation and data management solutions to clients in the financial services industry.

The summarised financial information for KIG, which is accounted for using the equity method, is as follows:

Summarised income statement	2021 £'000	2020 £'000
Revenue	6,184	5,336
Gross profit	5,217	4,327
Profit for the year	654	947

Summarised balance sheet	2021 £'000	2020 £'000
Total non-current assets	637	667
Total current assets	6,043	5,134
Total assets	6,680	5,801
Total current liabilities	3,547	3,529
Net assets less current liabilities	3,133	2,272

Reconciliation of summarised financial information	2021 £'000	2020 £'000
Opening net assets	2,272	1,423
Profit for the year	654	947
Foreign exchange differences	207	(98)
Closing net assets	3,133	2,272
Group's share of closing net assets	1,325	961
Goodwill	522	522
Carrying value of investment in associate	1,847	1,483

Impact on consolidated income statement	£'000
Balance at 1 January 2020	1,124
Share of profit of equity-accounted investee	359
Balance at 31 December 2020	1,483
Balance at 1 January 2021	**1,483**
Share of profit of equity-accounted investee	**364**
Balance at 31 December 2021	**1,847**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

33. SUBSIDIARIES

The Group's subsidiaries at 31 December 2021 which, in the opinion of management, principally affect the profit or the net assets of the Group are listed below. Unless otherwise stated, the Company owns 100% of share capital consisting solely of Ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Where the shareholding and voting rights are equal to or less than 50%, management have concluded that it is appropriate to include these entities as subsidiaries in the consolidation, in accordance with the basis of consolidation accounting policy described in note 3.2. The interests in subsidiaries not 100% owned are attributed to the Company and no minority interest is recognised.

Name of subsidiary	Country of incorporation and place of business	Activity	Holding
JTC Fund Solutions (Jersey) Limited	Jersey	Trading	100
JTC Group Holdings Limited	Jersey	Holding	100
JTC Group Limited	Jersey	Head office services	100
JTC (Jersey) Limited	Jersey	Trading	100
JTC Fund Services (UK) Limited	United Kingdom	Trading	100
JTC Group Holdings (UK) Limited	United Kingdom	Holding	100
JTC Trust Company (UK) Limited	United Kingdom	Trading	100
JTC UK (Amsterdam) Limited	United Kingdom	Holding	100
JTC (UK) Limited	United Kingdom	Trading	100
JTC Miami Corporation	US	Trading	50
JTC Trustees (USA) Ltd	US	Trading	100
JTC Fund Solutions (Guernsey) Limited	Guernsey	Trading	100
JTC Global AIFM Solutions Limited	Guernsey	Trading	100
JTC Fund Solutions RSA (Pty) Ltd	South Africa	Trading	100
JTC Fiduciary Services (Singapore) Pte Limited	Singapore	Trading	100
JTC (BVI) Limited	British Virgin Islands	Trading	100
Exequtive Management S.à r.l.	Luxembourg	Trading	49
Exequtive Partners S.A.	Luxembourg	Trading	100
Exequtive Services S.à r.l.	Luxembourg	Trading	100
JTC Global AIFM Solutions SA	Luxembourg	Trading	100
JTC Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100
JTC (Luxembourg) S.A.	Luxembourg	Trading	100
JTC Signes S.à r.l.	Luxembourg	Trading	100
JTC Signes Services SA	Luxembourg	Trading	100
JTC (Suisse) SA	Switzerland	Trading	100
JTC Trustees (Suisse) Sàrl	Switzerland	Trading	100
JTC Trustees (IOM) Limited	Isle of Man	Trading	100
Global Tax Support B.V. (i)	Netherlands	Trading	–
JTC Holdings (Netherlands) B.V.	Netherlands	Holding	100
JTC Institutional Services Netherlands B.V.	Netherlands	Trading	100
JTC (Netherlands) B.V.	Netherlands	Trading	100
JTC Trust Company (New Zealand) Limited	New Zealand	Trading	100
JTC (Cayman) Limited	Cayman Islands	Trading	100
JTC Fund Services (Cayman) Ltd	Cayman Islands	Trading	100
JTC Fiduciary Services (Mauritius) Limited	Mauritius	Trading	100
JTC Corporate Services (DIFC) Limited	Dubai	Trading	100
JTC Corporate Services (Ireland) Limited	Ireland	Trading	100
JTC Registrars Limited	Guernsey	Trading	100
JTC Registrars (UK) Limited	UK	Trading	100
JTC USA Holdings, Inc.	US	Trading	100
JTC Employer Solutions Limited	Jersey	Trading	100
JTC Employer Solutions (Guernsey) Limited	Guernsey	Trading	100
JTC Americas Holdings, LLC	US	Holding	100
Segue Partners, LLC	US	Trading	100
perfORM Due Diligence Services Limited	United Kingdom	Trading	100
SALI Fund Management, LLC	US	Trading	100
Essential Fund Services, LLC	US	Trading	100
INDOS Financial Limited	United Kingdom	Trading	100
INDOS Financial (Ireland) Limited	Ireland	Trading	100
Ballybunion Capital Limited	Ireland	Trading	95

(i) As the parent company JTC Group Holdings (UK) Limited has a call option to purchase Global Tax Support B.V. for €1 from its parent, management consider it has control of this entity and it has, therefore, been consolidated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

SECTION 8 – OTHER DISCLOSURES
34. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE
The calculation of basic Earnings Per Share is based on the profit for the year divided by the weighted average number of Ordinary shares for the same year.

DILUTED EARNINGS PER SHARE
The calculation of diluted Earnings Per Share is based on basic Earnings Per Share after adjusting for the potentially dilutive effect of Ordinary shares that have been granted.

UNDERLYING BASIC EARNINGS PER SHARE
The calculation of underlying basic Earnings Per Share is based on basic Earnings Per Share after adjusting profit for the year for non-underlying items and to remove the amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of net present value discounts.

The Group calculates basic, diluted and underlying basic Earnings Per Share. The results can be summarised as follows:

	Note	2021 Pence	2020 Pence
Basic EPS	34.1	**20.49**	9.02
Diluted EPS	34.2	**20.21**	8.96
Underlying basic EPS	34.3	**25.55**	21.77

34.1. BASIC EARNINGS PER SHARE

	2021 £'000	2020 £'000
Profit for the year	**26,648**	10,533

	No. of shares (thousands)	No. of shares (thousands)
Issued Ordinary shares at 1 January	**119,097**	111,821
Effect of shares issued to acquire business combinations	**362**	4,947
Effect of movement in treasury shares held	**850**	(31)
Effect of placing	**9,735**	–
Weighted average number of Ordinary shares (basic):	**130,044**	116,737
Basic EPS	**20.49**	9.02

34.2. DILUTED EARNINGS PER SHARE

	2021 £'000	2020 £'000
Profit for the year	**26,648**	10,533

	Note	No. of shares (thousands)	No. of shares (thousands)
Weighted average number of Ordinary shares (basic)	34.1	**130,044**	116,737
Effect of share-based payments issued		**1,796**	858
Weighted average number of Ordinary shares (diluted):		**131,840**	117,594
Diluted EPS		**20.21**	8.96

34.3. UNDERLYING BASIC EARNINGS PER SHARE

	Note	2021 £'000	2020 £'000
Profit for the year	34.1	**26,648**	10,533
Non-underlying items	7	**(2,875)**	8,893
Amortisation of customer relationships, acquired software and brands	21	**8,809**	6,445
Amortisation of loan arrangement fees	10	**1,501**	603
Unwinding of net present value discounts		**586**	38
Temporary differences on amortisation of acquired intangible assets	11	**(1,446)**	(1,102)
Adjusted underlying profit for the year		**33,223**	25,410

	Note	No. of shares (thousands)	No. of shares (thousands)
Weighted average number of Ordinary shares (basic)	34.1	**130,044**	116,737
Underlying basic EPS		**25.55**	21.77

Underlying basic EPS is an alternative performance measure which reflects the underlying activities of the Group excluding specific non-recurring items.

The definition of underlying basic Earnings Per Share has been updated to include amortisation for acquired software and brand intangibles and to remove non-underlying foreign exchange losses/(gains) which management consider require adjustment in order to reflect the Group's underlying trading. Prior to these adjustments, underlying basic Earnings Per Share was 24.26p (2020: 22.49p).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

35. CASH FLOW INFORMATION

35.1. CASH GENERATED FROM OPERATIONS

	2021 £'000	2020 £'000
Operating profit	**8,992**	21,031
Adjustments:		
Depreciation of property, plant and equipment	**7,157**	5,884
Amortisation of intangible assets	**10,434**	7,962
Share-based payment expense	**1,708**	1,082
EIP share-based payment expense	**13,778**	–
Share of profit of equity-accounted investee	**(364)**	(359)
Operating cash flows before movements in working capital	**41,705**	35,600
Net changes in working capital:		
Increase in receivables	**(9,972)**	(1,226)
Decrease in payables	**(1,036)**	(5,377)
Cash generated from operations	**30,697**	28,997

35.2. NON-UNDERLYING ITEMS WITHIN CASH GENERATED FROM OPERATIONS

	2021 £'000	2020 £'000
Cash generated from operations	**30,697**	28,997
Non-underlying items:		
Capital distribution from EBT	**581**	2,641
Acquisition and integration	**6,440**	3,108
Revision of ICS operating model	**421**	401
Other	**263**	143
Total non-underlying items within cash generated from operations	**7,705**	6,293
Underlying cash generated from operations	**38,402**	35,290

35.3. FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	Lease liabilities due within one year £'000	Lease liabilities due after one year £'000	Borrowings due within one year £'000	Borrowings due after one year £'000	Total £'000
At 1 January 2020	2,875	28,616	508	86,681	118,680
Cash flows:					
Acquired on acquisition	743	2,293	3,070	–	6,106
Drawdowns			–	16,425	16,425
Repayments	(132)	(4,012)	(883)	–	(5,027)
Other non-cash movements(i)	729	12,258	(239)	1,270	14,018
At 31 December 2020	4,215	39,155	2,456	104,376	150,202
Cash flows:					
Acquired on acquisition	**324**	**1,018**	**–**	**–**	**1,342**
Drawdowns			**–**	**176,662**	**176,662**
Repayments	**(74)**	**(5,748)**	**(2,434)**	**(125,099)**	**(133,355)**
Other non-cash movements(i)	**(285)**	**4,775**	**(22)**	**(3,361)**	**1,107**
At 31 December 2021	**4,180**	**39,200**	**–**	**152,578**	**195,958**

(i) Other non-cash movements include the capitalisation and amortisation of loan arrangement fees, foreign exchange movement, additions and disposals of lease liabilities relating to right-of-use assets and the unwinding of net present value discounts.

35.4. NET DEBT

	Note	2021 £'000	2020 £'000
Bank loans	18	**(152,578)**	(104,376)
Other loans	18	**–**	(2,456)
Trapped cash(i)		**(3,903)**	(2,444)
Loans receivable from employees	15	**3**	2,164
Less: cash and cash equivalents		**39,326**	31,078
Total net debt		**(117,152)**	(76,034)

(i) Trapped cash represents the minimum cash balance to be held to meet regulatory capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

36. SHARE-BASED PAYMENTS

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

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

36.1. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

The Group has implemented and made awards to eligible employees under three equity-settled share-based payment plans; it also continues to make awards when employees join the business, for the retention of key employees as part of business combinations and to incentivise key employees. Details of the share plans are as follows:

Employee Incentive Plan

JTC has an ongoing commitment to the concept of Shared Ownership and adopted the EIP upon listing on the London Stock Exchange in March 2018. The EIP is designed to recognise and reward long-term performance across the whole Group and its alignment of employees' and shareholders' interests is linked to multi-year business plans. All permanent employees of the Group (excluding all Executive Directors of JTC PLC) are eligible to be granted an award under the EIP at the discretion of the Remuneration Committee.

On 22 July 2021, following the conclusion of the Odyssey business plan (which ran from the IPO until the end of 2020), JTC PLC granted 3,104,007 shares to employees of the Company. Each award is separated into two tranches: 50% vests at the grant date ("Tranche one") and 50% is a deferred award in the form of a conditional right to receive shares on the first anniversary of grant, subject to the achievement of the applicable performance conditions ("Tranche two"). Tranche one is expensed in full upon grant and Tranche two will be expensed over the one year vesting period.

Details of movements in the number of shares are as follows:

	No. of shares (thousands)	**2021 £'000**	No. of shares (thousands)	2020 £'000
Granted	**3,104**	**19,372**	–	–
Exercised	**(1,545)**	**(9,652)**	–	–
Forfeited	**(80)**	**(480)**	–	–
Outstanding at the end of the year	1,479	9,240	–	–

Performance share plan

Executive Directors and senior managers may receive awards of shares, which may be granted annually under the PSP. The maximum policy opportunity award size under the PSP for an Executive Director is 150% of annual base salary; however, the plan rules allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances. The Remuneration Committee determines the appropriate performance measures, weightings and targets prior to granting any awards. Performance conditions specific to each Executive Director include Total Shareholder Return relative to a relevant comparator group and the Company's absolute underlying Earnings Per Share performance. Please refer to the Remuneration Committee report on p67.

The following table provides details for each PSP award:

Plan name	Performance period	Grant date	Vest date	No. of shares (thousands)	Fixed amount at fair value £'000
PSP 2018	14 March 2018 to 31 December 2020	18 September 2018	15 April 2021	157	534
PSP 2019	1 January 2019 to 31 December 2021	3 April 2019	(i)	254	614
PSP 2020	1 January 2020 to 31 December 2022	23 April 2020	(i)	213	825
PSP 2021	**1 January 2021 to 31 December 2023**	**20 May 2021**	(i)	**283**	**1,507**

(i) The vesting of awards is subject to continued employment and achievement of performance conditions over the specified period. The awards will vest for each PSP when the conditions have been measured for the relevant performance period.

Details of movements in the number of shares are as follows:

	No. of shares (thousands)	**2021 £'000**	No. of shares (thousands)	2020 £'000
Outstanding at the beginning of the year	**607**	**1,930**	411	1,148
Awarded	**283**	**1,507**	213	825
Exercised	**(153)**	**(519)**	–	–
Forfeited	**(4)**	**(15)**	(17)	(43)
Outstanding at the end of the year	**733**	**2,903**	607	1,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

36. SHARE-BASED PAYMENTS (CONTINUED)

36.1. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Deferred bonus share plan

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

Depending on the performance of the Group, consideration is given annually by the Remuneration Committee to the granting of share awards under DBSP to eligible Directors as part of the annual bonus award for performance during the preceding financial year end.

The following table provides details for each DBSP award:

Plan name	Performance period	Grant date	Vest date(i)	No. of shares (thousands)	Fixed amount £'000
DBSP 1	Year-ended 31 December 2018	3 April 2019	3 April 2021	50	149
DBSP 2	Year-ended 31 December 2019	23 April 2020	23 April 2022	73	313
DBSP 3	Year-ended 31 December 2020	14 April 2021	1 January 2023	56	364
DBSP 4	**Year-ended 31 December 2021**	(ii)	**1 January 2024**	(ii)	**469**

(i) The vesting of awards is subject to continued employment up to the vest date.
(ii) The date of vest will be determined following the release of the annual report for the relevant performance period.

Details of movements in the number of shares are as follows:

	No. of shares (thousands)	2021 £'000	No. of shares (thousands)	2020 £'000
Outstanding at the beginning of the year	108	411	45	137
Awarded	56	364	73	313
Exercised	(42)	(127)	–	–
Forfeited	(8)	(34)	(10)	(39)
Outstanding at the end of the year	**114**	**614**	108	411

Other awards

The Group has continued to make awards to employees joining the business. The grant date of each award is the start date of employment, with the fair value being a fixed amount stated in an employee's offer letter. The number of shares awarded is determined by the market value at the grant date. The awards will vest on the second anniversary of the grant date subject to continued employment.

Details of movements in the number of shares are as follows:

	No. of shares (thousands)	2021 £'000	No. of shares (thousands)	2020 £'000
Outstanding at the beginning of the year	102	398	26	95
Awarded(i)	217	1,933	82	328
Exercised	(57)	(219)	(6)	(25)
Forfeited	(2)	(10)	–	–
Outstanding at the end of the year	**260**	**2,102**	102	398

(i) As part of the RBC cees acquisition, the Group inherited historic share awards for the eligible Directors of the acquired entities. These awards are settled in cash or a combination of 50% cash and 50% equity; as such they are recorded as a liability with the fair value being remeasured at each reporting period end. At the date of acquisition, 141,875 shares with a fair value of £0.88m were awarded.

36.2. EXPENSES RECOGNISED DURING THE YEAR

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

	2021 £'000	2020 £'000
PSP awards	988	630
DBSP awards	334	242
Other awards	842	210
Share-based payments	2,164	1,082
EIP share-based payments(i)	13,778	–
Total share-based payments expense	**15,942**	1,082

(i) The total EIP expense of £13.92m, as disclosed in note 5, included £0.14m of cash awards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 CONTINUED

37. CONTINGENCIES

The Group operates in a number of jurisdictions and enjoys a close working relationship with all of its regulators. It is not unusual for the Group to find itself in discussion with regulators in relation to past events. With any such discussions there is inherent uncertainty in the ultimate outcome but the Board currently does not believe that any such current discussions are likely to result in an outcome that would have a material impact upon the Group.

38. FOREIGN CURRENCY

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in the consolidated income statement in the year in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations with a functional currency other than pounds sterling are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Goodwill and other intangible assets arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity in the translation reserve.

39. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

39.1. KEY MANAGEMENT PERSONNEL

The Group has defined key management personnel as Directors and members of senior management who have the authority and responsibility to plan, direct and control the activities of the Group. The remuneration of key management personnel in aggregate for each of the specified categories is as follows:

	2021 £'000	2020 £'000
Salaries and other short-term employee benefits	**2,723**	2,199
Post-employment and other long-term benefits	**133**	130
Share-based payments	**1,066**	625
EIP share-based payments	**418**	–
Total payments	**4,340**	2,954

39.2. OTHER RELATED PARTY TRANSACTIONS

Loans receivable from employees, associates and other related undertakings are disclosed in note 15.

The Group's associate, KIG (see note 32), has provided £802k of services to Group entities during the year (2020: £838k).

The Group has an interest in Harmonate (see note 32); the Group has provided £76k of services (2020: £273k) to it and received £155k of services (2020: £nil) from it during the year.

39.3. ULTIMATE CONTROLLING PARTY

JTC PLC is the ultimate controlling party of the Group.

40. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no material subsequent events to disclose other than those already noted in the consolidated financial statements.

ADDITIONAL INFORMATION

Investor relations information

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ADDITIONAL INFORMATION CONTINUED

Glossary

DEFINED TERMS
The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Annual Report

A2B
Advance to Buy programme created to help staff purchase JTC shares directly, independent of eligibility or participation in other parts of the Ownership for All programme (e.g. EIP, DBSP or PSP)

AEOI
Automatic Exchange of Information

AGM
Annual General Meeting

AML
Anti-Money Laundering

APM
Alternative Performance Measures

ANSON REGISTRARS
Anson Registrars Limited and Anson Registrars (UK) Limited

AUA
Assets under Administration

AUM
Assets under Management

AVNBW
Annualised value of new business won

BALLYBUNION
Ballybunion Capital Limited

BCP
Business continuity planning

BOARD
The Board of JTC PLC

CAGR
Compounded Annual Growth Rate

CASH CONVERSION
The ratio of net cash from operating activities compared with EBITDA

CCO
Chief Commercial Officer

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CFT
Combating the Financing of Terrorism

CGU
Cash-generating unit

COMPANY
JTC PLC

COVID-19 OR COVID
The global pandemic caused by Covid-19

CPD
Continuing Professional Development

CRO
Chief Risk Officer

CSR
Corporate Social Responsibility

DBSP
Deferred Bonus Share Plan

EBIT
Profit before interest and tax

EBITDA
Profit from operating activities before depreciation, amortisation, interest and tax

EBT
Employee Benefit Trust

ECL
Expected credit losses

EDGE
Internally developed client portal for private clients and part of the JTC Private Office proposition

ADDITIONAL INFORMATION CONTINUED

E4A
'Equity for All' – JTC's programme to promote wide employee share ownership in the Company

EFS
Essential Fund Services, LLC

EIP
JTC PLC Employee Incentive Plan

EPS
Earnings Per Share

ESG
Environmental, Social and Governance

EU
The European Union

EUR OR €
The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

EURIBOR
Euro Interbank Offered Rate

FCA
Financial Conduct Authority

FRC
Financial Reporting Council

FTSE
Financial Times Stock Exchange

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through profit or loss

FX
Foreign exchange

GBP, £ OR STERLING
The lawful currency of the United Kingdom

GDC
Group Development Committee

GDP
Gross domestic product

GDPR
The General Data Protection Regulation (2016/679) on data protection and privacy for all individuals within the European Union and the European Economic Area

GHB
Group Holdings Board

GROUP
The Company and its subsidiaries

HNW OR HNWI
High net worth or High net worth individual

IASB
International Accounting Standards Board

ICS
Institutional Client Services

IDF
Insurance Dedicated Fund

IFRS
International Financial Reporting Standards as adopted by the European Union

ILP
Irish Limited Partnership

INDOS
INDOS Financial Limited

IPO
Initial Public Offering

ISAE 3402
Assurance standard developed by the International Auditing and Assurance Standards Board and supported by the International Federation of Accountants

ISAS
International Standards on Auditing

KIG
Kensington International Group Pte. Ltd

LIBOR
The London Interbank Offered Rate is an average value of the interest rate which is calculated from estimates submitted by the leading global banks on a daily basis

LION
'Leaders In Our Name' – JTC's in-house management development programme

ADDITIONAL INFORMATION CONTINUED

LSE
London Stock Exchange

LTIP
Long-Term Incentive Plan

LTM
Last twelve months

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

M&A
Merger and acquisition

MANAGEMENT
The Directors of JTC Group Holdings Limited

MEEM
Multi-period excess earnings method financial valuation model

NED
Non-Executive Director

NESF
NES Financial Corp

NET DEBT
Total debt and total committed capital distributions less cash and cash equivalents

NET LEVERAGE
Total net debt divided by underlying EBITDA (for the LTM at average FX rates) adjusted for pro-forma contribution from acquisitions and synergies

NON-UNDERLYING ITEMS
These represent specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results, and based on their significance in size or nature are presented separately to provide further understanding about the financial performance of the Group

NPV
Net present value

OECD
Organisation for Economic Co-operation and Development

O4A
'Ownership for All' – the evolution of JTC's Shared Ownership programme for all employees post IPO

PCS
Private Client Services

PDMR
Person Discharging Managerial Responsibility

PERFORM
perfORM Due Diligence Services Limited

PLC EBT
JTC PLC Employee Benefit Trust

PRO-FORMA
Taking into account a full year's trading

PSP
Performance Share Plan

PWC
PricewaterhouseCoopers CI LLP

RBC CEES
RBC cees Limited

RECOMMENDATION FOR SIGNING OR RFS
A JTC internal control tool ensuring that decisions made by the business are thoroughly documented, reviewed and approved at an appropriate level on a 'six-eyes' basis

RFP
Request for proposal

ROCE
Return on Capital Employed

SALI
SALI Fund Management, LLC and SALI GP Holdings, LLC

SANNE PRIVATE CLIENTS
Sanne's Private Clients business in Jersey

SASB
Sustainability Accounting Standards Board

SEGUE
Segue Partners LLC

SHAREHOLDER
Any holder of Ordinary shares at any time

SHARES
The Ordinary shares in the capital of the Company

SME
Small and medium sized enterprise

ADDITIONAL INFORMATION CONTINUED

SPAC
Special Purpose Acquisition Company

TCFD
Task Force on Climate-related Financial Disclosures

TSR
Total Shareholder Return

UHNW OR UHNWI
Ultra high net worth or Ultra high net worth individual

UNDERLYING BASIC EARNINGS PER SHARE
Profit for the year is adjusted to remove the impact of non-underlying items within profit after tax, amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of net present value discounts then divided by the weighted average number of Ordinary shares

UNDERLYING EBITDA
EBITDA excluding specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results

UNDERLYING EBITDA MARGIN
Underlying EBITDA divided by revenue, and expressed as a percentage

UNDERLYING GROSS PROFIT
Gross profit (being revenue less direct staff and other direct costs) excluding specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results

UNDERLYING GROSS PROFIT MARGIN
Underlying gross profit divided by revenue, and expressed as a percentage

UNDERLYING PROFIT FOR THE YEAR
Profit for the year excluding specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results

UNHCR
The UN Refugee Agency

UNPRI
UN Principles for Responsible Investment

USD OR $
The lawful currency of the United States

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