

# Claybrook Computing Limited

Annual Report and Unaudited Financial Statements

for the year ended 31 December 2020



# Claybrook Computing Limited

Registration number: 01287205

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## **Claybrook Computing Limited**

Registration number: 01287205

### **Company information**

<b>Directors</b>	R Bloor
	D Watson
<b>Company secretary</b>	Prism Cosec Limited
<b>Registered office</b>	Sutherland House Russell Way Crawley West Sussex RH10 1QH

## Claybrook Computing Limited

Registration number: 01287205

### Strategic report for the year ended 31 December 2020

The directors present their strategic report for Claybrook Computing Limited for the year ended 31 December 2020.

#### General information

Claybrook Computing Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales.

The Company is a wholly owned subsidiary of Paymaster (1836) Limited which is part of the Equiniti Group plc group of companies (the "Group"). The Group comprises Equiniti Group plc, which is listed on the London Stock Exchange, and its subsidiary companies as listed in note 4.6 of Equiniti Group plc's annual report for the year ended 31 December 2020. Copies of Equiniti Group plc's annual report are available from the locations listed in note 20 of the notes to the financial statements.

#### Principal activity

The principal activity of the Company is the provision of software and computer consultancy services to pension funds and related businesses involved in pension scheme administration, pension payroll, pension fund accounting and actuarial valuations.

#### Review of the business

As the COVID-19 pandemic emerged, the Group established a crisis response team, prioritising employee wellbeing in the first instance. The company quickly adopted new working practices with capacity to operate home working and flexible working hours (e.g. non-core hours). The Company is a provider of software and consultancy services with long term contracts in place and was not impacted by disruptions to global supply chains and there was minimal impact to the products and services offered by the Company.

Revenue increased by 5% from 2019 which was primarily due to increased project work in the year. EBITDA decreased by 22% from 2019 primarily due to an increase in the Group's overhead recharges.

The Company's key financial performance indicators are revenue and EBITDA, which reconcile to profit before income tax as follows:

	2020 £ 000	2019 £ 000
Revenue	12,384	11,832
Administrative costs	(8,545)	(6,903)
EBITDA*	3,839	4,929
Depreciation, amortisation and finance costs	(3,135)	(3,893)
Profit before income tax	704	1,036

\*EBITDA is defined as profit before interest, tax, depreciation and amortisation. EBITDA is the performance measure used by the Company which the directors feel best reflects the sustainable operating performance of the business.

#### Future developments

The Company continues to invest in its award-winning software platform Compendia, to ensure that it remains market-leading in terms of functionality and user experience. New functionality continues to be built out to enter adjacent markets. Pension schemes continue to want to improve their members' access to information and services, a trend which we anticipate to continue, particularly as the pensions dashboard gains more prominence. Pensions scheme Trustees and sponsors have a continued desire to reduce the costs of administration and to access real-time management information. These trends continue to provide the company with market opportunity for its technology, and informs the road map for future development. Whilst the prevailing long-term market trend is for pension schemes to move towards a fully outsourced administration solution the directors are confident that there is still sufficient market opportunity for the Company to win business and grow market share.

#### Principal risks and uncertainties

The principal risks and uncertainties, together with the development, performance and position, and an analysis using key performance indicators of the Group, which include those of the Company and the Group, are discussed in the strategic report within Equiniti Group plc's annual report.

## Claybrook Computing Limited

Registration number: 01287205

### Strategic report for the year ended 31 December 2020 (continued)

#### Section 172(1) statement

This statement describes how the directors have taken account of the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 ("s172") when performing their duty to promote the success of the Company for the benefit of its members as a whole, and in doing so having regard (amongst other matters) to:

- the likely consequence 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
- the need to act fairly as between members of the Company.

The Board is fully aware of its duty under section 172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of its members. The Board is aware of all stakeholder interests, and as such takes a long-term view in reaching key decisions, and when taking decisions, the Board looks to act in the interests of the stakeholders and to ensure all stakeholders are treated fairly. There were no key strategic decisions made by the Board in the year.

The Company's Board, however, generally aligned its consideration of matters under s172 with the directors of the Group's Board. An explanation of how the Group's Board have considered these matters at a Group level, which includes the Company, are included in the Sustainability section of the Strategic Report of the Equiniti Group plc Annual Report 2020.

Approved by the Board on 23 September 2021 and signed on its behalf by:



.....  
D Watson  
Director

Company registration number: 01287205

## **Claybrook Computing Limited**

Registration number: 01287205

### **Directors' report for the year ended 31 December 2020**

*The directors present their report and the unaudited financial statements for the Company for the year ended 31 December 2020.*

#### **Directors of the Company**

The directors who held office during the year and up to the date of signing the financial statements were as follows:

J Stier (resigned 1 August 2021)

G Wakeley (resigned 4 January 2021)

D Watson

The following director was appointed after the year end:

R Bloor (appointed 31 August 2021)

#### **Review of the business and future developments**

The Company's results, future developments and principal risks and uncertainties are discussed in the strategic report on pages 2 to 3.

#### **Dividends**

The directors do not recommend a final dividend for the year ended 31 December 2020 (2019 - £nil).

#### **Employee involvement**

The Group has a centralised HR function which covers all matters related to the Company's employees. The Company is committed to providing an environment that encourages involvement of all employees and a culture that invests in employees, enhances engagement and increases work flexibility. Regular internal communications from the Group keep employees up to date with the activities of the Company and those of the wider Group.

*In 2020, the Group's people strategy was implemented alongside a top priority of protecting and supporting employees during the COVID-19 pandemic. Mental health was an important focus, and the Group ran virtual events and launched its first mental health plan. In response to COVID-19, the Group introduced virtual all-company briefings every two to three weeks which included a business update and the opportunity to ask questions. Colleague's contributions during the pandemic were recognised, and all colleagues who had been with the Group since the start of the pandemic were offered £300 of free shares in the Group.*

The Group runs an annual employee survey which is available to all employees within the Group and helps understanding of where the Group is doing well and where the Group needs to enhance the employee's experience. The Gallop engagement model, first adopted in 2019, continues to be used.

The Group's Chief Executive undertakes annual colleague briefings in person and has an open online forum allowing all employees within the Group to communicate directly with them.

The Group also engages with employees through its Global Colleague Forum. This forum consists of representatives from different business locations and functions. Meetings are attended and chaired by a Group non-executive director ensuring the Group's Board hears directly from the Group's employees. The forum meets regularly to discuss the Group's strategy, sustainability, diversity and inclusion and purpose, mission and values.

#### **Research and development**

The Company continues to commit resources to the development of new and improved technologies and capabilities, in order to derive new solutions and to enhance our client and customer experiences, improve our services and products and meet the ever changing regulatory requirements for the services the Company provides. Expenses incurred are required to be capitalised when it is probable that future economic benefits will be attributable to the asset and that costs can be measured reliably, in accordance with the relevant accounting standards and the Company's accounting policies.

#### **Going concern**

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

## Claybrook Computing Limited

Registration number: 01287205

### Directors' report for the year ended 31 December 2020 (continued)

#### Directors' liabilities

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Directors' and officers' liability insurance has been purchased by the Company's ultimate parent company, Equiniti Group plc. The insurance does not provide cover in the event that a director is proved to have acted fraudulently. Indemnity insurance is maintained for the Company's directors and officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

#### Statement of directors responsibilities

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, 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 Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Board on 23 September 2021 and signed on its behalf by:



.....  
D Watson  
Director

Company registration number: 01287205

**Claybrook Computing Limited**

Registration number: 01287205

**Statement of comprehensive income for the year ended 31 December 2020**

	<b>Note</b>	<b>2020 £ 000</b>	<b>2019 £ 000</b>
Revenue	4	12,384	11,832
Administrative costs	5	(8,545)	(6,903)
Depreciation of property, plant and equipment	9	(4)	(4)
Amortisation of intangible assets	10	(3,131)	(3,885)
Finance costs		-	(4)
Profit before income tax		704	1,036
Income tax expense	8	(145)	(228)
Profit and total comprehensive income for the financial year		<u>559</u>	<u>808</u>

The notes on pages 9 to 22 form an integral part of these financial statements.



## Claybrook Computing Limited

Registration number: 01287205

### Statement of financial position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	9	14
Intangible assets	10	6,905	8,393
Deferred tax assets	8	33	-
		<u>6,947</u>	<u>8,407</u>
<b>Current assets</b>			
Trade and other receivables	11	1,979	919
Contract fulfilment assets	12	263	1,271
Income tax asset		-	707
		<u>2,242</u>	<u>2,897</u>
Total assets		<u>9,189</u>	<u>11,304</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	8	-	507
<b>Current liabilities</b>			
Trade and other payables	14	4,287	6,663
Contract fulfilment liabilities		2,126	2,090
Income tax liability		173	-
		<u>6,586</u>	<u>8,753</u>
Total liabilities		<u>6,586</u>	<u>9,260</u>
<b>Net assets</b>		<u><b>2,603</b></u>	<u><b>2,044</b></u>
<b>Equity</b>			
Share capital	15	-	-
Capital contribution reserve	16	95	95
Retained earnings		<u>2,508</u>	<u>1,949</u>
<b>Total equity</b>		<u><b>2,603</b></u>	<u><b>2,044</b></u>

For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 6 to 22 were approved by the Board on 23 September 2021 and signed on its behalf by:



D Watson  
Director

Company registration number: 01287205

The notes on pages 9 to 22 form an integral part of these financial statements.

**Claybrook Computing Limited**

Registration number: 01287205

**Statement of changes in equity for the year ended 31 December 2020**

	<b>Share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2020	-	95	1,949	2,044
Profit and total comprehensive income for the financial year	-	-	559	559
At 31 December 2020	-	95	2,508	2,603

	<b>Share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2019	-	95	17,980	18,075
Profit and total comprehensive income for the financial year	-	-	808	808
Dividends	-	-	(16,839)	(16,839)
At 31 December 2019	-	95	1,949	2,044

The notes on pages 9 to 22 form an integral part of these financial statements.

# Claybrook Computing Limited

Registration number: 01287205

## Notes to the unaudited financial statements for the year ended 31 December 2020

### 1 General information

The Company is a private company limited by shares, incorporated and domiciled in England and Wales.

The registered office address of the Company is:

Sutherland House  
Russell Way  
Crawley  
West Sussex  
RH10 1UH

### 2 Accounting policies

#### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or estimation and which are significant to the financial statements, are disclosed in note 3.

These financial statements are presented in British Pounds ("£") which is the Company's functional currency.

#### Summary of disclosure exemptions

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 1 Presentation of Financial Statements, paragraphs:
  - 10(d) - Statement of cash flows
  - 16 - Statement of compliance with all IFRS
  - 38B-D - Additional comparative information in respect of IAS 16 Property, Plant and Equipment paragraph 73(e) and IAS 38 Intangible Assets paragraph 118(e)
  - 134 to 136 - Capital management disclosures
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, paragraphs 30 and 31 - New standards issued but not yet effective
- IAS 24 Related Party Disclosures, paragraphs 17 and 18A - Certain key management personnel information and related party disclosures with transactions entered into between wholly owned group companies
- IAS 36 Impairment of Assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) - Key assumptions and estimates used to measure value in use of cash-generating units
- IFRS 2 Share-based Payments, paragraphs 45(b) and 46 to 52 - Exemption from disclosing the number of share options and how the fair values were determined
- IFRS 7 Financial Instruments: Disclosures
- IFRS 13 Fair Value Measurement, paragraphs 91 to 99 - Valuation techniques and inputs used for fair value measurement of assets and liabilities
- IFRS 15 Revenue from Contracts with Customers, paragraphs 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 - Detailed revenue disclosures

#### Going concern

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

## Claybrook Computing Limited

Registration number: 01287205

### Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### New standards, interpretations and amendments

There are no standards, interpretations and amendments effective for the first time from 1 January 2020 that had a material effect on the financial statements.

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses.

##### Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Office equipment	3 - 6 years
Fixtures and fittings	1 - 5 years

##### Intangible assets

##### Software

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

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

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

Capitalised software also includes purchased licences when the expenditure satisfies the recognition criteria in IAS 38 Intangible Assets. These items are capitalised at cost and amortised on a straight line basis over their useful economic life or the term of the contract.

##### Amortisation

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the assets, from the date they are available for use. The estimated useful lives are as follows:

Software	1 - 5 years
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## **Claybrook Computing Limited**

Registration number: 01287205

### **Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Impairment of non-financial assets**

Assets that have an indefinite useful life, for example intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("CGUs"). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

##### **Trade receivables**

Trade receivables represent amounts invoiced to customers, but not yet paid. Trade receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses. Expected credit losses are recognised using the simplified approach as set out in IFRS 9 Financial Instruments and consequently loss allowances are measured at an amount equal to the lifetime expected credit loss. The expected credit loss model applies a percentage, based on an assessment of historical default rates and certain forward looking information, against receivables that are grouped into certain age brackets. Where there is objective evidence that the Company will not be able to collect any amounts due according to the original terms of the agreement with the customer, the receivable is fully impaired and the loss is recognised within administrative costs in the statement of comprehensive income.

##### **Amounts due from Group undertakings**

Amounts due from Group undertakings are stated initially at fair value and subsequently measured at amortised cost using the effective interest method, less provisions for impairment. Provisions for impairment are recognised using the simplified approach as set out in IFRS 9 and consequently loss allowances are measured at an amount equal to the lifetime expected credit loss. Balances are unsecured and repayable on demand.

##### **Contract fulfilment assets**

When software or services are provided to a customer before an invoice is issued, a contract fulfilment asset is recognised in the statement of financial position, and represents the right to receive consideration from the customer for software or services delivered. The asset is measured as the fair value of the software or services provided. The Company's contracts with customers often include a payment schedule which determines when invoices are raised, and settlement is received, during the contractual term.

The incremental costs of obtaining or fulfilling a contract with a customer are recognised as an asset only if the Company expects to recover them. Those costs to obtain or fulfil a contract are included in the statement of financial position within contract fulfilment assets. These assets are subsequently charged to administrative costs within the statement of comprehensive income over the expected contract period using a systematic basis that mirrors the pattern in which the Company transfers control of the software or services to the customer.

Contract fulfilment assets include costs incurred to date and are continually monitored through a monthly review process. If it becomes apparent that contractual costs will exceed contractual revenue, the loss is recognised immediately as an expense in the statement of comprehensive income.

##### **Financial instruments**

A financial asset or financial liability is only recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument.

##### **Classification and measurement**

The Company's financial assets which include trade and other receivables (excluding prepayments) and contract fulfilment assets, are initially recognised at fair value, plus any transactions costs that are directly attributable to the acquisition of the financial asset. They are subsequently measured at amortised cost, less expected credit losses.

## **Claybrook Computing Limited**

Registration number: 01287205

### **Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

The Company classifies debt and equity instruments as either financial liabilities or as equity, in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the Company, after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Under IAS 32 Financial Instruments: Presentation, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Financial liabilities are classified and measured at amortised cost using the effective interest method.

#### ***Derecognition***

##### ***Financial assets***

The Company derecognises a financial asset when the contractual rights to receive cash flows from the financial asset expire or have been transferred, and the Company has transferred substantially all the risks and rewards of ownership.

##### ***Financial liabilities***

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

#### **Amounts due to Group undertakings**

Amounts due to Group undertakings represent liabilities for goods and services received by the Company prior to the end of the financial year which are unpaid. Balances are unsecured and repayable on demand. Amounts due to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Contract fulfilment liabilities**

Contract fulfilment liabilities are recorded when the Company has received consideration from customers, but still has an obligation to deliver services to the customer and meet performance obligations for that consideration. The liability is measured as the fair value of the consideration received.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Claybrook Computing Limited**

Registration number: 01287205

### **Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Share-based payments**

The Company's ultimate parent company, Equiniti Group plc, operates a number of equity-settled share-based compensation plans under which the Company receives services from employees as consideration for equity instruments (options) of Equiniti Group plc. The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense in the Company and is recharged from Equiniti Group plc. The amount to be expensed is determined by reference to the fair value of the awards granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee over a specified period of time; and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

At the end of each reporting date, the Company revises its estimate of the number of awards that are expected to vest, based on the service and non-market performance vesting conditions. It recognises the impact of the revisions to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to the amount recharged from Equiniti Group plc in the statement of financial position.

##### **Defined contribution pension scheme**

The employees of the Company participate in a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separately administered fund. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the statement of comprehensive income as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

##### **Revenue recognition**

Revenue, which excludes sales tax, represents the value of software and services provided under contract to customers in the United Kingdom. Contract revenue is measured as the fair value of the consideration receivable for software and services provided.

The Company's contracts may contain multiple deliverables to the customer. Management evaluates whether those deliverables are distinct, which requires them to be accounted for as separate performance obligations under IFRS 15 Revenue from Contracts with Customers. If the deliverables are not distinct, they are combined with other deliverables until a distinct performance obligation can be identified in the contract. If a series of distinct deliverables are substantially the same and have the same pattern of transfer to the customer, the deliverables may be combined and accounted for as a single performance obligation.

Revenue is recognised either at a point in time, or over time, as the Company satisfies each contractual performance obligation and control of the performance obligation is transferred to the customer.

Revenue recognised for software supplied and services provided, but not yet invoiced, is reflected in the statement of financial position within contract fulfilment assets. Amounts invoiced in advance of work being performed are deferred in the statement of financial position as contract fulfilment liabilities.

##### **Professional services**

Revenue from fixed-price contracts, which may span a number of years, is recognised rateably over the expected life of the contract, where the Company satisfies the over time revenue recognition criteria. When the over time criteria are not satisfied, the Company recognises revenue at a point in time when the contractual performance obligations are delivered. Where the Company provides staff to customers at hourly or daily rates, revenue is recognised on the basis of time worked.

## **Claybrook Computing Limited**

Registration number: 01287205

### **Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### ***Software sales, hosting and support services***

Revenue for software licences is recognised at a point in time when the licences are delivered to the customer, as this results in the customer having the right to use the licence, and therefore the performance obligation is delivered in full. Revenue for hosting and support services are recognised rateably over the term of the agreement.

When products are bundled together for the purpose of sale, the associated revenue net of all applicable discounts, is allocated between the constituent performance obligations on a relative fair value basis. The Company has a systematic basis for allocating relative fair values in these situations, based upon published list prices.

##### ***Long term contracts***

Where delivery of services spans more than one accounting period, revenue is either recognised over time or at a point in time. Where the over time criteria in IFRS 15 Revenue from Contracts with Customers are satisfied, the Company recognises revenue using the 'percentage of completion' method. These services typically take less than one year to perform but, when the service falls into two or more accounting periods, there is management judgement around how much revenue to recognise in each period. Where provided for under the terms of the contract, the stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period, as a percentage of the total estimated cost for the contract. Total costs incurred under contracts in progress, net of amounts transferred to the income statement, are stated less foreseeable losses and payments on account. Where the over time criteria are not satisfied, and the contract requires, revenue is recognised when all the performance obligations have been delivered to the customer, which may not be until the end of the contractual period.

In determining how much revenue to recognise, management is required to make an assessment of the expected costs to complete the contract. Forecasting contract costs involves judgements around the number of hours to complete a task, cost savings to be achieved over time, anticipated profitability of the contract, as well as contract-specific KPIs. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Costs to date and costs to complete for each project are continually monitored for each project through a monthly review process. If it becomes apparent that contract costs will exceed contract revenue, then the loss is recognised immediately as an expense in the statement of comprehensive income.

Costs arising prior to the Company being awarded a contract, or achieving preferred bidder status, and mobilisation costs are expensed to the statement of comprehensive income as incurred. Once the Company is awarded a contract, the incremental costs of obtaining or fulfilling the contract are recognised as an asset only if the Company expects to recover them. These assets are subsequently charged to the statement of comprehensive income over the expected contract period using a systematic basis that mirrors the pattern in which the Company recognises the contracted revenue.

##### ***Government grants***

Grants that compensate the Company for expenses incurred are recognised in the same periods in which the expenses are recognised. Grants relating to employment are recognised in the statement of comprehensive income as they are earned. Grants relating to intangible assets are recognised within other payables on the statement of financial position and amortised over the useful life of the asset.

##### ***Finance income and costs***

Finance income and finance costs comprise interest payable, interest receivable on own funds and foreign exchange gains and losses. Interest income and interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.



## Claybrook Computing Limited

Registration number: 01287205

### Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### Tax

Tax on the result for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The Company is a member of the Equiniti Group plc tax group in which all eligible Group company's taxable profits and losses are group relieved. All eligible Group companies share liability for the Groups overall tax liability and record their own share of tax payable or receivable at the reporting date. The balance is subsequently paid to or received from a fellow Group company or settled via the intercompany account.

Current tax is the expected tax payable on the taxable profits for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset in respect of trading losses is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

##### Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

There are no significant accounting estimates or judgements within these financial statements.

#### 4 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020 £ 000	2019 £ 000
Rendering of services	<u>12,384</u>	<u>11,832</u>

##### Revenue recognised in the year from:

	2020 £ 000	2019 £ 000
Amounts included in contract fulfilment liabilities at the beginning of the year	<u>2,157</u>	<u>1,753</u>

**Claybrook Computing Limited**

Registration number: 01287205

**Notes to the unaudited financial statements for the year ended 31 December 2020  
(continued)****5 Administrative costs**

	2020 £ 000	2019 £ 000
<b>Expenses by nature:</b>		
Payroll expense (note 6)	4,812	5,619
Net staff costs recharged to fellow Group companies	(3,587)	(4,633)
Staff costs capitalised in respect of software development	-	(76)
Direct costs	171	2
Printing and postage	9	8
IT licences and maintenance	154	104
Bought in services	49	199
Premises costs	233	440
Other expenses	7,138	5,577
Government grants	(434)	(337)
	<u>8,545</u>	<u>6,903</u>

**6 Staff numbers and costs**

The average monthly number of persons employed by the Company during the year, analysed by category was as follows:

	2020 Number	2019 Number
Operations	<u>69</u>	<u>80</u>

The aggregate payroll costs of these persons (including directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	3,991	4,728
Social security costs	433	499
Other pension costs	346	363
Share-based payment expenses	42	29
	<u>4,812</u>	<u>5,619</u>

**7 Directors' remuneration**

The Company's directors were remunerated by other Group companies in the current and prior year for their services to the Group as a whole. No remuneration was paid for their services to this Company, so no apportionment of the emoluments in respect of this Company were made. Accordingly, the emoluments in respect of the directors are included in the aggregate emoluments in the financial statements of fellow Group companies.

## Claybrook Computing Limited

Registration number: 01287205

### Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)

#### 8 Income tax expense

Tax charged in the statement of comprehensive income:

	2020 £ 000	2019 £ 000
<b>Current taxation</b>		
UK corporation tax	173	(266)
Adjustments in respect of prior periods	<u>512</u>	<u>(338)</u>
	<u>685</u>	<u>(604)</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(36)	464
Adjustments in respect of prior periods	<u>(504)</u>	<u>368</u>
	<u>(540)</u>	<u>832</u>
Tax expense in the statement of comprehensive income	<u>145</u>	<u>228</u>

The tax on profit before income tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before income tax	<u>704</u>	<u>1,036</u>
Corporation tax at the standard UK rate of 19% (2019 - 19%)	134	197
Non-deductible expenses	-	1
Exercise of employee share options	8	(33)
Effect of changes in tax rates	-	(55)
Effect of research and development tax credit	(5)	88
Adjustments in respect of prior periods	<u>8</u>	<u>30</u>
Total tax expense	<u>145</u>	<u>228</u>

#### Future tax changes

The UK corporation tax rate of 19%, effective from 1 April 2017, was substantively enacted on 26 October 2015. A reduction to the rate to 17%, effective from 1 April 2020, was substantively enacted on 6 September 2016 and deferred tax balances at 31 December 2019 were recognised on this basis. The tax rate reduction from 19% to 17% was reversed on 17 March 2020 and the deferred tax balances have been restated in the year accordingly.

On 3 March 2021, the Government announced that, with effect from 1 April 2023, the main rate of UK corporation tax will increase to 25%. As the proposal to increase the UK corporation tax rate had not been substantively enacted at the balance sheet date, its effects have not been reflected in these financial statements. This is expected to increase the Company's future tax charge accordingly.

**Claybrook Computing Limited**

Registration number: 01287205

**Notes to the unaudited financial statements for the year ended 31 December 2020  
(continued)****8 Income tax expense (continued)****Deferred tax**

Deferred tax assets and liabilities are as follows:

	<b>Asset £ 000</b>	<b>Liability £ 000</b>	<b>Net deferred tax £ 000</b>
<b>2020</b>			
Amortisation	54	-	54
Accelerated tax depreciation	-	(21)	(21)
Other post-employment benefits	-	-	-
	<u>54</u>	<u>(21)</u>	<u>33</u>
<b>2019</b>			
Amortisation	-	(527)	(527)
Accelerated tax depreciation	9	-	9
Other post-employment benefits	<u>11</u>	<u>-</u>	<u>11</u>
	<u>20</u>	<u>(527)</u>	<u>(507)</u>

The deferred tax assets, which are calculated using the UK corporation tax rates substantively enacted on 6 September 2016, are expected to be recovered at least 12 months after the balance sheet date.

Deferred tax movement during the current year:

	<b>At 1 January 2020 £ 000</b>	<b>Recognised in income £ 000</b>	<b>At 31 December 2020 £ 000</b>
Amortisation	(527)	581	54
Accelerated tax depreciation	9	(29)	(21)
Other post-employment benefits	<u>11</u>	<u>(11)</u>	<u>-</u>
Net tax assets/(liabilities)	<u>(507)</u>	<u>540</u>	<u>33</u>

Deferred tax movement during the prior year:

	<b>At 1 January 2019 £ 000</b>	<b>Recognised in income £ 000</b>	<b>At 31 December 2019 £ 000</b>
Amortisation	(91)	(436)	(527)
Accelerated tax depreciation	404	(395)	9
Other post-employment benefits	<u>11</u>	<u>-</u>	<u>11</u>
Net tax assets/(liabilities)	<u>324</u>	<u>(832)</u>	<u>(507)</u>

**Claybrook Computing Limited**

Registration number: 01287205

**Notes to the unaudited financial statements for the year ended 31 December 2020  
(continued)****9 Property, plant and equipment**

	<b>Fixtures and fittings £ 000</b>	<b>Office equipment £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>			
At 1 January 2020	40	290	330
Disposals	<u>(9)</u>	<u>(32)</u>	<u>(41)</u>
At 31 December 2020	<u>31</u>	<u>258</u>	<u>289</u>
<b>Accumulated depreciation</b>			
At 1 January 2020	40	276	316
Charge for the year	-	4	4
Eliminated on disposal	<u>(9)</u>	<u>(31)</u>	<u>(40)</u>
At 31 December 2020	<u>31</u>	<u>249</u>	<u>280</u>
<b>Carrying amount</b>			
At 31 December 2020	<u>-</u>	<u>9</u>	<u>9</u>
At 31 December 2019	<u>-</u>	<u>14</u>	<u>14</u>

**10 Intangible assets**

	<b>Software £ 000</b>
<b>Cost or valuation</b>	
At 1 January 2020	31,217
Additions	<u>1,643</u>
At 31 December 2020	<u>32,860</u>
<b>Accumulated amortisation</b>	
At 1 January 2020	22,824
Charge for the year	<u>3,131</u>
At 31 December 2020	<u>25,955</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>6,905</u>
At 31 December 2019	<u>8,393</u>

**Claybrook Computing Limited**

Registration number: 01287205

**Notes to the unaudited financial statements for the year ended 31 December 2020  
(continued)****11 Trade and other receivables**

	<b>2020 £ 000</b>	<b>2019 £ 000</b>
Trade receivables	1,758	704
Amounts due from Group undertakings	111	103
Other receivables	110	112
	<u>1,979</u>	<u>919</u>

Excluding trade receivables, none of these financial assets are either past due or impaired. Receivables from Group undertakings are non-interest bearing and are repayable on demand.

**Ageing of overdue trade receivables at the reporting date**

	<b>2020 £ 000</b>	<b>2019 £ 000</b>
0 to 30 days	159	468
31 to 60 days	49	148
61 to 90 days	-	3
	<u>208</u>	<u>619</u>

**12 Contract fulfilment assets**

	<b>2020 £ 000</b>	<b>2019 £ 000</b>
Accrued income	227	1,084
Contract set up costs	36	187
	<u>263</u>	<u>1,271</u>

**13 Post-employment benefits****Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £346,000 (2019 - £363,000).

**14 Trade and other payables**

	<b>2020 £ 000</b>	<b>2019 £ 000</b>
Amounts due to Group undertakings	3,101	5,623
Accrued expenses	309	438
Other payables	877	602
	<u>4,287</u>	<u>6,663</u>

Amounts due to Group undertakings are non-interest bearing and repayable on demand.

## Claybrook Computing Limited

Registration number: 01287205

### Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)

#### 15 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	Number	£ 000	Number	£ 000
Ordinary shares of £1 each	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

#### 16 Reserves

##### Capital contribution reserve

The capital contribution reserve represents historical amounts recognised in equity in respect of equity-settled share-based compensation plans.

#### 17 Dividends

	2020 £ 000	2019 £ 000
Interim dividend paid of £nil (2019 - £168,386) per each ordinary share	<u>-</u>	<u>16,839</u>

#### 18 Share-based payments

##### All Employee Award 2020

##### *Scheme description*

The Group launched an all employee share award in 2020, which was granted to all eligible UK staff employed by the Group on 1 March 2020 under the existing share incentive plan rules. Each eligible member of staff received an award equivalent to £300. These awards vest over three years and the employees will receive their shares provided they remain employed by the Group over the vesting period. Non-UK based employees received a deferred cash bonus award in lieu of a share award.

##### *Outstanding share options*

Details of share awards outstanding at the end of the year were as follows:

	2020	2019
Weighted average exercise price (£)	-	-
Expected weighted average remaining life (years)	<u>2.75</u>	<u>-</u>

## Claybrook Computing Limited

Registration number: 01287205

### Notes to the unaudited financial statements for the year ended 31 December 2020 (continued)

#### 18 Share-based payments (continued)

##### Sharesave Plan 2018

###### *Scheme description*

Share options issued by the ultimate parent company, Equiniti Group plc, are granted to directors and employees of the Company who enter into Her Majesty's Revenue & Customs approved share savings scheme. Participants can save a maximum of £500 per month over three to five years. The number of shares over which an option is granted is such that the total option price payable for those shares corresponds to the proceeds on maturity of the related savings contract. The exercise price is calculated as 80% of the average share price over the three preceding days or, in relation to new issue shares, the nominal value of a share. Granted options vest over the maturity of the savings contract and can be exercised over a period of up to 6 months after vesting.

###### *Outstanding share options*

Details of share options outstanding at the end of the year were as follows:

	2020	2019
Weighted average exercise price (£)	1.77	1.77
Expected weighted average remaining life (years)	1.50	2.50

#### 19 Contingent liabilities

The Company, along with other companies in the Group, has provided a guarantee in relation to a Senior Facilities Agreement comprising term loans and a revolving credit facility made available to Equiniti Holdings Limited. The facilities comprise term loans of £190,000,000 and US\$92,000,000, and a multicurrency revolving credit facility of £260,000,000 of which the drawn balance was £58,000,000 at 31 December 2020 (2019 - £115,000,000). Both facilities are repayable in 2024.

#### 20 Parent and ultimate parent undertaking

The Company is a wholly owned subsidiary of Paymaster (1836) Limited, a company incorporated in England and Wales. The Company is controlled by its ultimate parent company Equiniti Group plc, a public listed company incorporated in England and Wales and listed on the London Stock Exchange.

The most senior parent entity, and the parent of the smallest and largest group producing publicly available financial statements in which the Company is consolidated, is Equiniti Group plc. The consolidated financial statements which are contained within Equiniti Group plc's annual report are available online at [www.equiniti.com](http://www.equiniti.com) or upon request from:

Sutherland House  
Russell Way  
Crawley  
West Sussex  
RH10 1UH

#### 21 Non adjusting events after the financial year

On 19 July 2021, the shareholders of Equiniti Group plc voted in favour of a resolution proposing for Earth Private Holdings Ltd, a newly-formed company owned by funds managed or advised by Siris Capital Group, LLC, to acquire the entire share capital of Equiniti Group plc for 180p per share. Completion of the acquisition remains subject to the satisfaction or waiver of the other conditions set out in the Scheme Document which was published on 21 June 2021.