



ANNUAL REPORT 2023

ACCELERATING TOGETHER



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ACCELERATING TOGETHER

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 help maximise the potential of every client, colleague and partner with whom we work.

"2023 was another outstanding year for the Group. Record organic growth and disciplined inorganic growth mean that we have delivered our Galaxy era goal of doubling the business from the end of 2020 in just three years, some two years ahead of our original estimate, a truly remarkable achievement."

NIGEL LE QUESNE, CHIEF EXECUTIVE OFFICER



FINANCIAL HIGHLIGHTS

HIGHLIGHTS

FINANCIAL

REVENUE ↑

+28.7%2023: £257.4m
2022: £200.0m

NET ORGANIC REVENUE GROWTH* ↑

+7.9pp2023: 19.9%
2022: 12.0%

PROFIT BEFORE TAX ↓

-32.3%2023: £24.3m
2022: £35.9m

UNDERLYING EBITDA* ↑

+30.1%2023: £85.9m
2022: £66.0m

BASIC EARNINGS PER SHARE ↓

-40.6%2023: 14.20p
2022: 23.92p

ADJUSTED UNDERLYING EPS* ↑

+11.9%2023: 37.23p
2022: 33.27p

OPERATIONAL

NEW BUSINESS WINS ↑

+25.2%2023: £30.8m
2022: £24.6m

LIFETIME VALUE WON ↑

+25.3%2023: £421.1m
2022: £336.1m

DIVIDEND PER SHARE ↑

+11.9%2023: 11.17p
2022: 9.98p* ALTERNATIVE PERFORMANCE MEASURE (APM)
PLEASE SEE PAGE 27 FOR FURTHER DETAILS

OUR BUSINESS AT A GLANCE

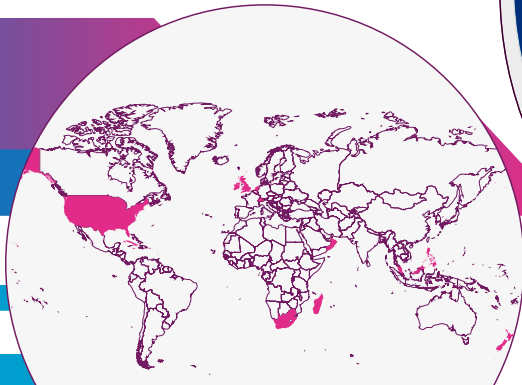
OUR BUSINESS

OUR VISION

Our vision is to be the very best independent provider of institutional and private client services across multiple jurisdictions. We have built on this vision to create a business that is different from the competition and provides all of our staff with the opportunity to benefit from its success.

OUR MISSION

Our mission is to build partnerships with our clients that enable them to focus on their core business, whilst we manage risk, protect assets and spot opportunities, efficiently and cost-effectively.



1,800+
employee-owners

12,000+
clients

100+
countries served

OUR BUSINESS AND WHO WE SERVE



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.

+19.5%
ICS Division revenue growth

+48.5%
PCS Division revenue growth

OUR HISTORY

1987 The business is established in Jersey	1991 CEO, Nigel Le Quesne, joins as fifth employee	1998 Nigel creates JTC Shared Ownership, making every employee an owner	2008 MBO results in the Group becoming independent as well as wholly employee-owned	2010 JTC makes its first acquisition and expands its operations in six jurisdictions	2012 CBPE take a minority stake and the Group embarks on its 'local to global' expansion strategy	2018 The Group lists on the LSE with an initial market capitalisation of £310m	2020 Galaxy era goal to double the size of the business achieved, triggering £20m Shared Ownership awards to employees	2022 Exceeds £200m of revenue for the first time and onboarded largest ever client mandate	2023 Galaxy era plan delivered two years early and US platform established
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OUR BUSINESS MODEL

HOW OUR BUSINESS WORKS

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.

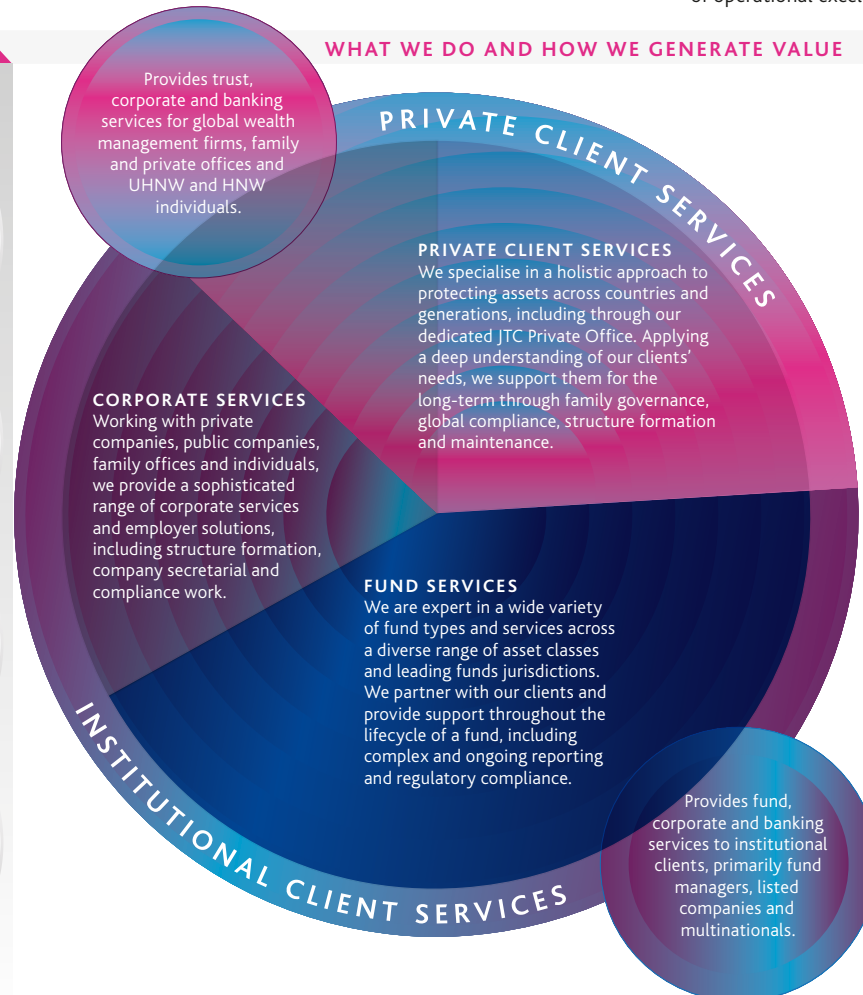
OUR KEY INPUTS

- 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

- 1**
We grow organically by offering service excellence and a suite of solutions with long-term relationships
- 2**
With all our people as owners the interests of all our stakeholders are aligned
- 3**
We maintain a well-invested and scalable global platform that supports consistent long-term growth
- 4**
We make strategic acquisitions and integrate them seamlessly so that in our world 2+2=5

WHAT WE DO AND HOW WE GENERATE VALUE



VALUE WE CREATE FOR STAKEHOLDERS

- CLIENTS**
\$335bn client assets we are trusted to administer
- SHAREHOLDERS**
30% of adjusted underlying EPS dividend
- 14 years average JTC client relationship
- 37.23p adjusted underlying EPS in 2023
- £421.1m lifetime value of work awarded to JTC by clients in 2023
- 12.3% Return on Invested Capital
- EMPLOYEES**
£350m+ Shared Ownership value created since 1998
- CHARITIES AND COMMUNITIES**
£255k+ donated to good causes in 2023
- 96% retention rate in 2023
- Carbon Neutral+ status maintained in 2023
- 100% of permanent employees are owners of the business

OUR HISTORY

OUR BUSINESS PLAN ERAS

A LONG-TERM GROWTH MINDSET

We run JTC using multi-year business plans that we call eras. These are named to give them a clear identity, which supports internal communications and aids strategic alignment and goal setting across the Group.

The context for each business plan is set by our addressable market of c. \$12bn and the long-term trends that support our growth (see pages 8 and 9).

Underpinning these external factors we have our resilient investment case (see page 6) and our unique culture. Shared Ownership (see page 7) has always given us a long-term perspective on how best to grow the business and it also provides a mechanism through which we can share JTC's success with our people, enabling them to compound the value of their contributions over time.

When we listed in 2018, we commenced the **Odyssey** era and doubled the business, in terms of revenue and underlying EBITDA, within three years, becoming a FTSE 250 business along the way.

In 2021 we began the **Galaxy** era, where we again aimed to double the size of the Group. As the business scaled, we created the Group Commercial Office, which sits between and supports both Divisions, driving innovation and bringing new services to market (see page 17) in a way that is complementary to our disciplined inorganic growth (see pages 20 and 21).

Having completed the Galaxy era by the end of 2023, some two years early, in January 2024 we embarked on the **Cosmos** era, where we aim to double the business for the third time since IPO and despite the increased size of the Group, believe that this can be achieved in a three to four year timeframe. Given our strong organic growth performance, we will be seeking to maximise the organic contribution during the Cosmos era, while at the same time ensuring that we capture the inorganic opportunities that best fit our platform and long-term goals, as they arise.



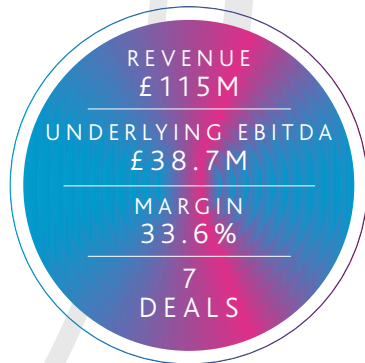
NIGEL LE QUESNE, CHIEF EXECUTIVE OFFICER



OUR HISTORY CONTINUED

ODYSSEY

2018 – 2020



GALAXY

2021 – 2023



COSMOS

2024 – 2027E

DOUBLE AGAIN

- £0.5BN+ REVENUE
- DOUBLE UNDERLYING EBITDA
- 33%+ MARGIN
- 10%+ NET ORGANIC REVENUE GROWTH
- CLIENT SERVICE EXCELLENCE
- PROFESSIONAL SERVICES
- BEST PLACE TO WORK

INCREASING M&A CAPABILITIES

ESTABLISHED US PLATFORM

COMMERCIAL OFFICE/INNOVATION

GLOBAL BRAND

SHARED OWNERSHIP FOR 100% OF OUR PEOPLE

OUR INVESTMENT CASE

OUR INVESTMENT CASE

EXPERIENCED AND ENTREPRENEURIAL MANAGEMENT TEAM

We are a professional services business operating on a global scale in a highly regulated environment. The quality and experience of our management team is second to none.

130+

Years combined sector-specific experience of senior management team

DESIGNED FOR GROWTH, ORGANIC AND INORGANIC

We aim to generate approximately one third of our growth organically and two thirds through acquisitions. Net organic revenue growth is targeted at 10%+ pa.

19.9%

Net organic revenue growth

8.8%

Inorganic revenue growth

OWNERSHIP FOR ALL CULTURE

"The feeling of being a part of something is important to me."

"The Shared Ownership programme allows people to feel invested in JTC's success and aligned to its business objectives."

HIGHLY VISIBLE RECURRING REVENUE AND STRONG CASH CONVERSION

Average client lifespan now stands at 14 years and cash conversion is expected to be 85% – 90% pa.

106%

Underlying cash conversion

WELL DIVERSIFIED ACROSS CLIENTS, SERVICES & GEOGRAPHIES

We are well balanced between our two Divisions and three core service lines, with the Commercial Office as a central catalyst for innovation and organic growth. Our geographic reach continues to expand.

12,000+

Clients in over 100 countries. Top 15 clients represent only 9.5% of revenues

PROVEN TRACK RECORD OF M&A AND INTEGRATION

Our approach to M&A has been refined and proven for well over a decade. We follow a disciplined approach based on efficient capital allocation to ensure long-term value creation for all stakeholders.

27

Acquisitions since 2010 with 15 since IPO in 2018

WELL-INVESTED SCALABLE GLOBAL PLATFORM

Ongoing investment in the best people, technology and operational infrastructure creates a stable platform that can easily and quickly scale, both organically and through M&A. We take the long-term view.

34

Global offices



STRONG COMPLIANCE AND RISK MANAGEMENT

Governance sits at the heart of our business and we are proud of our exemplary track record. R&C is also a key growth driver for the business.

1/36

Minor paid claim in 36 years, settled >10 years ago, on our Professional Indemnity Insurance

DEMAND CREATED BY LONG-TERM MARKET TRENDS

Regulation, growing propensity to outsource, technology, sector consolidation, globalisation and sustainability all act as sector tailwinds.

26.0%

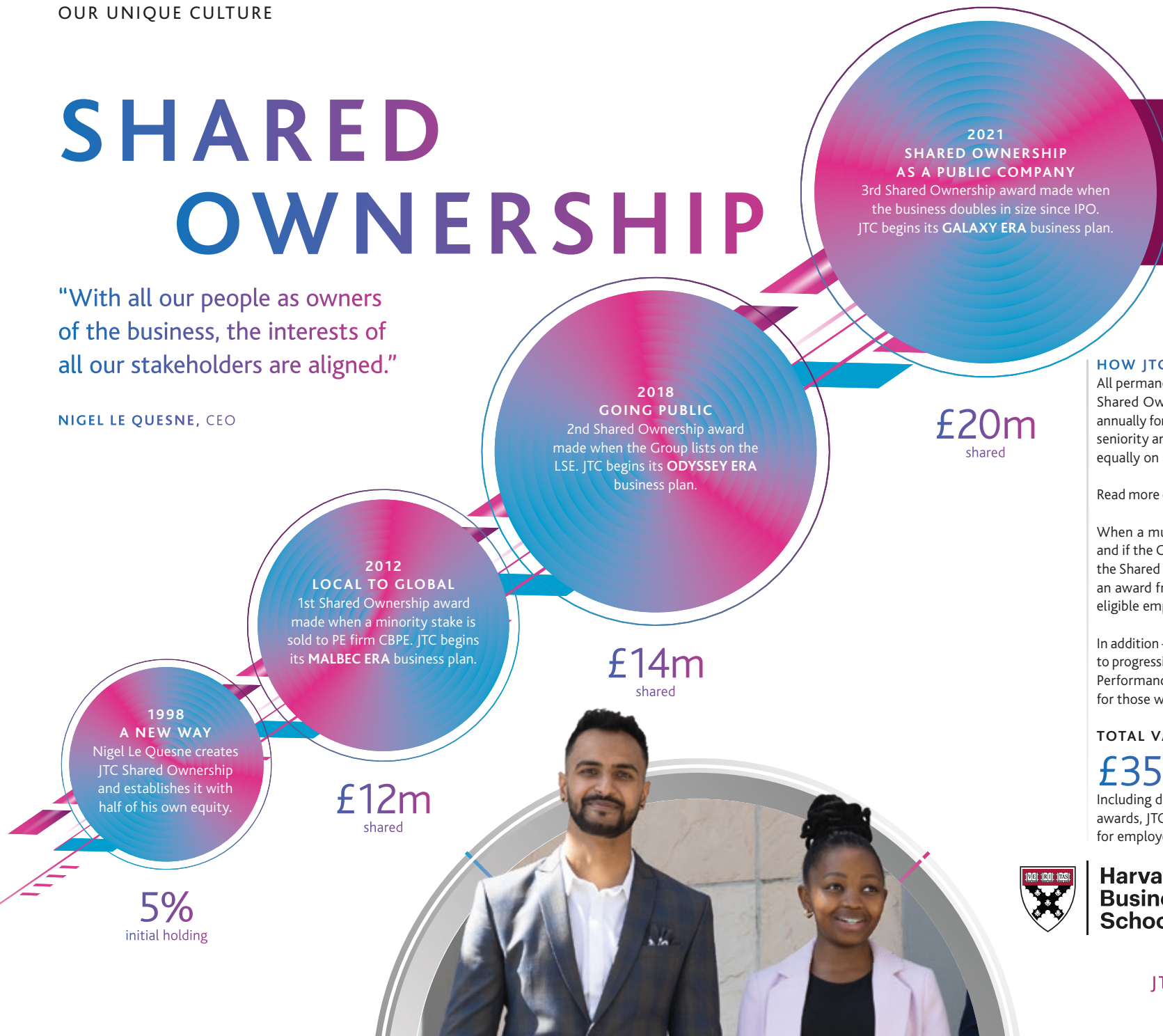
Revenue CAGR over last 10 years

OUR UNIQUE CULTURE

SHARED OWNERSHIP

“With all our people as owners of the business, the interests of all our stakeholders are aligned.”

NIGEL LE QUESNE, CEO



100% OWNERSHIP

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

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 equally on achievement of goals and behaviours.

Read more on our People and Culture on pages 40 to 48.

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.

TOTAL VALUE

£350M+

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



Harvard Business School

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

OUR MARKET DRIVERS

KEY

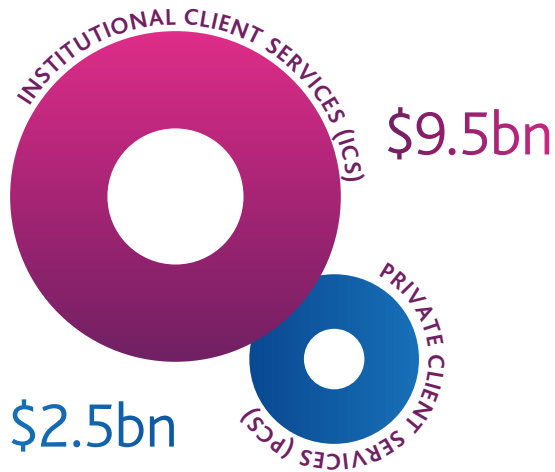
▲ High

■ Medium

▼ Low

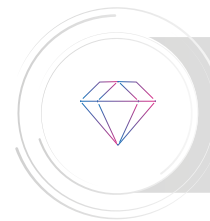
LONG-TERM TRENDS SUPPORT OUR GROWTH

We serve a variety of markets that are experiencing a number of shared long-term trends. These trends offer significant growth opportunities for JTC in a fragmented global sector. We estimate our global addressable market to be worth at least \$12bn in annual revenue (ICS \$9.5bn and PCS \$2.5bn).



ADDRESSABLE MARKET

\$12bn



GLOBALISATION AND RISING GLOBAL WEALTH



INCREASED REGULATION

■ Pace of change

■ Near-term impact

■ Long-term impact

▲ Pace of change

▲ Near-term impact

■ Long-term impact

DESCRIPTION

Communication, co-operation and flow of capital is now far easier across international borders. Corporates and Family Offices operate and invest globally, and fund managers seek access to international capital and both private and institutional investors increasingly want to pursue strategies that mean operating internationally. In addition, GDP, personal wealth and generational wealth transfer all continue to grow. This all leads to increased demand for providers of professional services that can advise and work across borders.

For our clients, the growing complexity and scope of regulation and compliance makes the risk of errors or omissions greater every year. The potential for misunderstanding, or simply lack of awareness, means taking expert advice is vital. Outsourcing is therefore increasingly attractive, through specialists who are constantly on top of the latest regulatory changes, and who can both navigate them and find opportunities within them.

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 have built our organic business through long-term relationships that now average 14+ years, enabling us to grow alongside our clients and their increasing scale or wealth.

As a large global operator, we have the capacity and expertise to help clients comply with the higher standards demanded by growing regulatory scrutiny. This also creates barriers to entry for competitors. We are able to maintain our knowledge of ever-evolving regulations, and expand and modify the services we provide, bringing multiple revenue opportunities.

KEY FACTS

\$72.6 trillion
Generational wealth transfer by 2045*

25
Regulatory licences held by JTC

* Source: January 20, 2022 Cerulli Associates

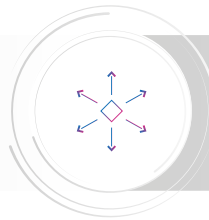
OUR MARKET DRIVERS CONTINUED

KEY

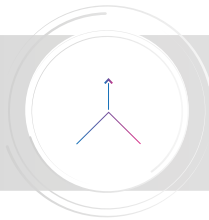
▲ High

■ Medium

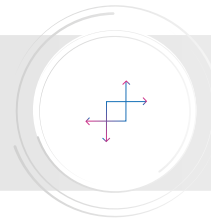
▼ Low



GROWING PROPENSITY TO OUTSOURCE



CONTINUED MARKET CONSOLIDATION



SUSTAINABILITY, IMPACT AND ESG



OPPORTUNITIES THROUGH TECHNOLOGY

- Pace of change
- Near-term impact
- ▲ Long-term impact
- Pace of change
- Near-term impact
- ▲ Long-term impact
- ▲ Pace of change
- ▼ Near-term impact
- Long-term impact
- ▲ Pace of change
- Near-term impact
- ▲ Long-term impact

As complexity increases, the long-term benefits of outsourcing increasingly outweigh having to recruit, train and build an in-house team. For smaller clients, outsourcing offers instant access to expertise, and for larger clients, a leaner operating model. This model increases in relevance as regulatory and tax environments become more complicated, and a client's core competency can readily be separated from the associated administration.

Consolidation throughout our industry enables service providers to offer multi-sector and multi-jurisdiction capabilities and solutions. Increasing regulatory complexity is driving client demand for this greater scale and breadth. While this consolidation slowed recently for macroeconomic reasons, it is likely to re-accelerate as markets recover. With an estimated 2,000+ providers in the UK and Europe and 1,000+ in the US, this will continue.

Sustainable, impact and ESG related funds have been steadily increasing in scale and popularity for the past decade. However, standards evolve and are a growing element of mainstream disclosures. This presents significant administrative challenges for companies and funds in particular, creating demand for credible and expert third-party providers who can provide appropriate support.

Each year, advances in technology improve speed and efficiency, mitigate risks of human error and automate mundane tasks. The growing profile of AI and in particular large language models is a notable example of this trend. This all leads to a better client experience, and increases the focus on human expertise. It allows skilled and knowledgeable advisers, with an understanding of the nuances of legislation and regulations, more time to provide a more valuable service to clients.

We have the scale and capabilities to offer a comprehensive, expert service, with highly qualified, experienced staff and appropriate technology. As such, we are in a position to help large, complex organisations transform strategically to a lighter operating model. In this critical role, we can offer certainty on costs alongside increased accuracy, and allow the client to focus on its core activities. Opportunities in the US continue to grow, as institutional and private clients become more inclined to outsource.

We maintain a strong pipeline of M&A opportunities, to be able to access the right deals at the right time. These span both Divisions and all types and sizes, from bolt-ons to complex bank carve outs and transformational deals. Having acquired 27 businesses since 2010, we have a proven process 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.

We offer our technology-enabled advisory, regulatory compliance and outsourced reporting services to a wide range of clients, providing expertise on the complex sustainability regulation and reporting frameworks. As a business with Shared Ownership at the heart of its culture, our approach to sustainability is also based on compelling principles and a strong corporate purpose.

Quite simply, we combine the best people with the best technology to get the best results. We continue to use best-in-class technology to improve and expand our services, training our people to maximise the benefits of our systems. In addition, we can grow the in-depth expertise and human insight our clients need, and focus on our client relationships.

c. \$4m+ pa
The Group's largest single outsourcing client

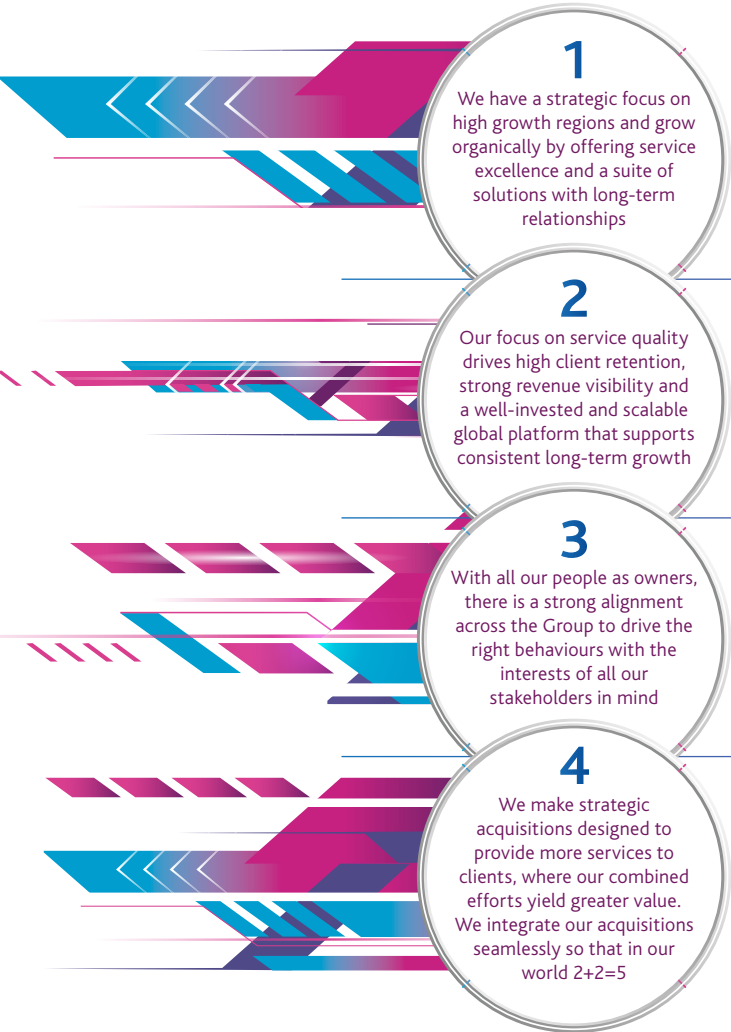
27
Businesses acquired since 2010

100%
Employee ownership at JTC

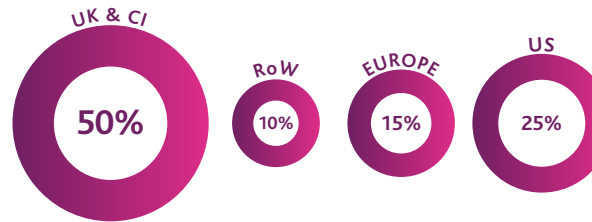
+17.1%
Year-on-year increase on technology spend

VALUE CREATION

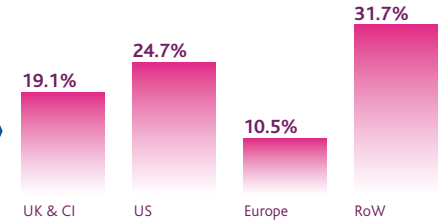
HOW OUR STRATEGIC STRENGTHS DELIVER VALUE FOR OUR STAKEHOLDERS



2023 REVENUE SHARE



2023 NET ORGANIC GROWTH



2.0%

Average non end of life attrition over the last three years

14.3 years

Average duration of client relationships, providing non cyclical recurring revenues

19.6%

Adjusted underlying basic EPS CAGR in the Galaxy era (2021 to 2023)

100%

Of permanent employees are owners of the business

£350m+

Value generated for employee owners since 1998

4%

Regretted staff turnover in 2023

27

Acquisitions since 2010 and 15 since the IPO in 2018

£176.3m

Facilities undrawn at 31 December 2023

25/27

Acquisitions fully integrated onto JTC platform, with two in progress

CHIEF EXECUTIVE OFFICER'S REVIEW

ACCELERATING TOGETHER



ANOTHER EXCEPTIONAL YEAR

Last year, I started my review by stating that 2022 had arguably been the best in my 30+ years at JTC. This is a phrase I will have to stop using, as 2023 surpassed it. From record organic growth to another platform acquisition in the US, the Group delivered an exceptional performance, in every respect.

DELIVERING OUR GALAXY ERA GOAL TWO YEARS EARLY

We are proud of our ability to deliver against stretching multi-year business plans, which we call eras. We deliberately name each era to give it an identity and focus collective effort within the business to achieve it. Each era is a controlled effort that matches the ever-growing capabilities of the Group with the market opportunities we see. To our employee-owners, the eras

are also milestone targets that create opportunities for Shared Ownership awards, which have sat at the heart of our culture for over 25 years.

After listing in March 2018, we commenced the 'Odyssey era' and doubled the size of the Group (as measured by revenue and underlying EBITDA) by the end of 2020.

Read more about our Business Eras on pages 4 and 5.

NIGEL LE QUESNE, CEO



CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

"The strong execution of our growth strategies allowed us to accelerate progress in both 2021 and 2022 and in 2023 we achieved our Galaxy era goal some two years ahead of schedule. This is an outstanding performance, especially given the post pandemic environment and wider macro volatility and demonstrates how robust our business model is and a growing demand for our services."

NIGEL LE QUESNE, CEO

We then set ourselves the challenge of doubling again and named the era 'Galaxy', anticipating a four-to-five-year timeframe due to increased scale. The strong execution of our growth strategies allowed us to accelerate progress in both 2021 and 2022 and in 2023 we achieved our Galaxy era goal after just three years, some two years ahead of schedule. This is an outstanding performance, especially given the post pandemic environment and wider macro volatility and demonstrates how robust our business model is and how the demand for our services continues to grow. I am particularly pleased that net organic revenue growth has increased each year from 9.6% in 2021, to 12.0% in 2022 and now 19.9% in 2023, well ahead of our 8% – 10% medium term guidance. The Galaxy era also saw us make several important acquisitions in the US, most notably the platform businesses SALL in the ICS Division and SDTC in the PCS Division. These, along with smaller complementary deals, have created a strong platform for growth in the US. We now enter the Cosmos era during which we aim to double the size of the Group for the third time in a decade and achieve £0.5bn+ of revenue, with a higher proportion of Group revenues coming from the high growth US market.

FINANCIAL PERFORMANCE

Revenue grew 28.7% to £257.4m (2022: £200.0m) and underlying EBITDA also increased 30.1% to £85.9m (2022: £66.0m). Net organic revenue growth was a record 19.9% (2022: 12.0%) driven by another record in new business wins of £30.8m (2022: £24.6m). Despite the excellent organic growth performance and associated costs of on-boarding new business, our underlying EBITDA margin increased by 0.4pp to 33.4% (2022: 33.0%) and continued within our medium-term guidance for this metric of 33% to 38%. Cash conversion was once again robust and above guidance at 106% (2022: 91%). With the acquisition of SDTC being funded by a successful capital raise in June, leverage stood at 1.43x underlying EBITDA at period end, again aligned with our guidance range of 1.5x to 2.0x.

CONSISTENT GROWTH AND INNOVATION

I have written before about the natural 'hedge' that exists within the business, which allows us to deliver consistent growth throughout the economic cycle. When markets are buoyant, we win more 'new from new' business as clients launch new investment vehicles (notably funds) and the propensity to invest and add to portfolios more generally increases. When conditions are less favourable, we generate more work from existing clients as they respond to threats and opportunities in relation to their current holdings and structures. As a professional services business with client contracts that span 14 years or more, increased activity levels within the existing client base can generate meaningful growth for the Group.

In addition to this established pattern of demand, which we have observed for more than 30 years, we have a culture of continuous improvement and innovation that permeates through the business and sets ambitious standards for growth. Through both M&A and internal development via our Divisions and the Commercial Office, we add new services that are complementary to our core fund, corporate and private client offering. This allows us to grow 'share of wallet' with existing clients and also helps us to win new mandates. Service lines that we added or proactively expanded in the Galaxy era are now making meaningful contributions to Group revenue, often at strong margins. These include our banking platform (incorporating foreign exchange, treasury and custody), employer solutions, tax compliance, regulatory reporting, operational due diligence and strategic transformation services, all of which in combination delivered over £60m of revenue in 2023. With a global addressable market that we believe is at least \$12bn per annum in size, there remains enormous opportunity for further long-term growth.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

UNDERLYING EBITDA MARGIN

33.4%

INSTITUTIONAL CLIENT SERVICES DIVISION

Revenue increased 19.5% to £163.3m (2022: £136.7m) with a 19.9% increase in underlying EBITDA to £51.6m (2022: £43.0m). Underlying EBITDA margin increased by 0.1pp to 31.6% (2022: 31.5%) and improved by a total of 3.7pp during the Galaxy era (2021 to 2023 inclusive). Net organic growth was once again strong and increased by 4.8pp to 19.4% (2022: 14.6%) with the annualised value of new business wins increasing by 19.8% to a record £20.6m (2022: £17.2m).

The availability of acquisitions that met our disciplined criteria led to a front-loading of inorganic activity for the Division during the Galaxy era, with a record seven ICS deals in 2021. This led to a natural period of focus on integration and value capture in 2022, which continued in 2023. We announced the acquisition of Blackheath Capital, an established UK ManCo business, which completed post period end and will add further scale and strategically important UK coverage to our Global AIFM Solutions business.

The ICS businesses acquired during the Galaxy era continued to perform strongly. JTC Employer Solutions (formerly RBC cees) remains one of the Group's most successful acquisitions in terms of ROIC and continues to evolve and grow on our platform. The innovative PERFORM Operational Due Diligence business has scaled well, with expansion in the US and Europe, as well as the UK, creating a large number of cross-selling opportunities. Ballybunion, the Irish ManCo business, was fully re-branded as JTC and continued to contribute to our growing platform in Ireland, along with the depositary business, INDOS. In the US, the in-country senior leadership team delivered even greater cohesion

UNDERLYING EBITDA

£85.9m

and alignment, bringing together the talent and skills from SALI, Segue and EFS, as well as legacy JTC operations. Post period end in January, the final earnout payment for the SALI acquisition was made, confirming its smooth integration into the Division and the highly predictable, long-term revenue streams that SALI brings to the Group as an ICS platform business in the large, high-growth US market.

Regionally, the US remained the fastest growing market for ICS, and we also saw good growth in our Luxembourg and UK offices with stable performance from the Netherlands, Channel Islands and South Africa. At the end of the year, the Division stood at some c. 1,000 people serving clients from 21 offices and generating 63.4% of Group revenues (2022: 68.3%). This scale and reach, combined with our focus on providing client service excellence enabled by best-in-class technology, stands us in good stead to succeed in a competitive market.

Overall, the ICS Division made excellent progress in 2023 and has been a major component of the Group's accelerated delivery of the Galaxy era. As the Division continues to scale, particularly in the US, we anticipate further strong organic growth, additional opportunities for M&A and more service line innovation.

We have assembled a strong global leadership team, with a number of key appointments during the period. The team are ambitious for further success during the Cosmos era and have constructed an ambitious plan centred on our clients, employee-owners, growth (organic and inorganic) and enhanced market positioning.

"I have written before about the natural 'hedge' that exists within the business, which allows us to deliver consistent growth throughout the economic cycle."



CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

REVENUE

£257.4m

PRIVATE CLIENT SERVICES DIVISION

Revenue increased 48.5% to £94.1m (2022: £63.4m) with an increase of 49.2% in underlying EBITDA to £34.3m (2022: £23.0m). The underlying EBITDA margin was 36.5% (2022: 36.3%) and remains towards the top end of our established guidance range of 33% – 38%. The investments made in the PCS platform throughout the Galaxy era continued to bear fruit, with net organic revenue growth increasing by an outstanding 12.2pp to 20.9% (2022: 8.7%) and the annualised value of new business wins being a record £10.2m (2022: £7.4m).

The strong organic growth reflects both the quality of our offering as the pre-eminent trust company business and our commitment to innovation and the delivery of sophisticated services including JTC Private Office, Strategic Transformation services, treasury, custody tax compliance and regulatory reporting. The Division continues to successfully redefine the parameters of a world-class PCS offering, which includes both direct services to end clients and indirect services providing solutions and support to institutions for their PCS client books, which in turn, enlarges its addressable global market.

The integration of New York Private Trust Company (NYPTC), which was acquired in the final quarter of 2022, progressed as planned. NYPTC enabled us to become the first non-US, non-bank firm to be licensed to provide trust company services from Delaware, an important competitive advantage as we build out our offering in the US. This was supplemented in August when we made our latest strategic 'platform' move in the US with the acquisition of South Dakota Trust Company (SDTC), a business known to JTC since 2016, with an established client base of c. 1,700 high net worth and ultra-high net worth clients and a 22-year track record of consistent growth, high margins and strong cash conversion. We have been pleased with the performance of the business to date, with integration

NEW BUSINESS WINS

£30.8m

progressing well, including a strong cultural alignment. These deals, in combination with our well-established legacy business in the US, established JTC as the leading independent provider of administration services to the US personal trust market with more than \$150 billion of assets under administration (AuA).

Regionally, we further expanded our footprint with a licence to operate in the Bahamas in support of Project Amaro, the Group's largest ever single mandate for the provision of services to a US-based global bank and its clients. Our Miami and Cayman offices celebrated their ten-year anniversaries and post period end we established a new office in Vienna, Austria, to enhance our European presence. The Division continued to attract top talent from the industry and its global network delivered growth across key regions, including the US, Caribbean and Jersey.

The Division has cemented its position as a leader in its markets. In support of JTC's ambition for its brand to be recognised globally as a hallmark of quality, the Division launched its six client service excellence principles: Above and Beyond Service, Can Do Attitude, Entrepreneurial Outlook, Know Your Client, Transparent Communications, and Integrity. These, along with ambitious growth targets, will form the foundation of the Division's approach to success during the Cosmos era.

RISK

We continued our excellent record in managing the risks associated with being a leading regulated professional services business. In 2023 the team focused much of their time and effort on further enhancing our Risk & Compliance function globally to meet the ever-evolving requirements of international regulation. While this inevitably presents challenges, it also creates opportunities for growth and we seek to embrace these as our clients, especially larger and more complex

organisations, look to us for expertise and support in this area. Many of our most recently developed service lines, including Strategic Transformation, tax compliance and regulatory reporting are driven, in part or in whole, by the regulatory landscape.

We continue to see long-term emerging risks come into greater focus, including transition risks associated with the world seeking to decarbonise. The internal Sustainability Forum, created in 2022, worked to manage and deliver our sustainability roadmap across the Group. At Board level, the Governance & Risk Committee, formed at the end of 2022, took on responsibility for oversight of risk at a Group level, as well as providing guidance on our sustainability journey and the commercial opportunities the Group might capture through the provision of sustainability services to clients, more details can be found in the Committee's report starting on page 84. We were once again a Carbon Neutral+ organisation and made our first public submission to the Carbon Disclosure Project (CDP). Our commitment to achieve net zero by 2030 was advanced with the selection of the Science Based Target initiative (SBTi) as the framework we will follow to achieve this goal. More detail, including our latest TCFD disclosures, can be read in the Sustainability section starting on page 35.

As the war in Ukraine enters its third year and with conflict between Israel and Palestine and the wider Middle East region, global macro uncertainty escalated significantly in 2023. As a Group, we remain acutely aware of our responsibilities in relation to sanctions compliance and enforce all such measures rigorously.

Significant advances in artificial intelligence (AI) came to the fore in 2023, in particular generative AI and large language models. As with almost every technological innovation, we see both opportunity and risk inherent in these inventions. Given that our services rely

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

NET ORGANIC REVENUE GROWTH

19.9%

extensively on dealing with large amounts of data in a secure manner and where many of the outputs we produce to clients are in the form of 'words and numbers', we have embraced the opportunity to partner with our technology providers and examine use cases that are of benefit to the growth of the business, as well as those that present risks. This work has been supplemented with updates to system use policies and internal training and communications.

Looking ahead 2024 will see a presidential election in the US and a high probability of a general election in the UK. While we will continue to closely monitor any potential impact from these key political events, our experience over 36 years of trading suggests that the Group will remain resilient and adaptable to any changes that arise.

OUTLOOK

2023 was another exceptional year for JTC and will go down as a milestone in our history with the achievement of our Galaxy era goal to once again double the size of the Group. Our ability to grow consistently is a fundamental feature of the business that has been refined over 36 years and we remain dedicated to the culture, approach and discipline that have enabled it. I am particularly pleased with the organic growth performance of the Group, in 2023 specifically, where we had a number of initiatives come to fruition simultaneously, bringing and embedding revenue upgrade to the Group. The ability to continually expand

INORGANIC REVENUE GROWTH

8.8%

client relationships over lifespans that average 14 years, as well as to win new clients in competitive markets, is testament to the quality of service that our people deliver and the way we innovate and add value through relevant new services over time.

While we are committed to using the best technology tools available, it is our people that form and nurture relationships with our clients and it is our culture of Shared Ownership that binds our team together and gives us shared vision, purpose and belief in our ability to succeed. Our commitment to a meritocratic Shared Ownership culture remains unwavering and I look forward to the anticipated opportunity to share the success of the Galaxy era with our global team later this year.

Our inorganic growth has always been highly disciplined and focused on the opportunities that we believe will deliver the best long-term benefits for the Group. We made nine acquisitions during the Galaxy era, all of which have and will add value to the business. We had a specific focus on establishing a platform for growth in the important US market and I am pleased that in the form of SALI and SDTC, we have made the cornerstone purchases needed for the ICS and PCS Divisions respectively. We will continue to identify and target high quality opportunities in our chosen markets and in addition will seek to return, on occasion, to our pre-IPO approach of acquisitions at lower multiples where we

were able to revitalise under-performing businesses on our platform, thus delivering an attractive return on invested capital across our portfolio of acquisitions.

Our two Divisions continue to provide balance and diversification to the Group and as noted above, have sizeable opportunities to capture in the US, as well as growth potential in other markets, including Asia, in the Cosmos era. The catalyst of the Commercial Office proved itself in Galaxy and it has already been strengthened, with a new Group Head appointed post period end in January.

Looking ahead, we begin the Cosmos era with excellent momentum and anticipate continued strong organic growth in 2024 and beyond. While we are excited by our ambition to double the size of the Group for the third time in a decade and achieve £0.5bn+ of revenue, we will continue to ensure that the JTC platform remains well-invested at all times and that our talented global team are ready and equipped to grow with the business, maximise their individual potential and exceed the expectations of our clients. JTC will continue to innovate and shape the markets we serve in a way that supports long-term value creation for the Group and all its stakeholders.

In concluding, I once again extend my thanks to every member of the growing and talented JTC team for their efforts in 2023.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER



"Looking ahead, we begin the Cosmos era with excellent momentum and anticipate continued strong organic growth in 2024 and beyond."

NIGEL LE QUESNE, CEO



STRATEGY, ORGANIC GROWTH

STRATEGY, ORGANIC GROWTH

Our well-established guidance is to deliver 8% to 10% net organic revenue growth each year and in 2023 we exceeded this with a record 19.9%, giving a rolling three year average of 13.8% and both Divisions on an upward trend. This growth is supported by long-term drivers that act as tailwinds within an addressable market of some \$12bn per annum globally. In addition, the clear and robust components of our investment case have helped us deliver 36 years of growth and profitability, including through a number of global crises. The growth

of the Group throughout its history has come from an ambitious and progressive mindset and a strong emphasis on insight and innovation, all underpinned by our all-important Shared Ownership culture.

KEY MARKET DRIVERS

GLOBALISATION & RISING GLOBAL WEALTH

INCREASING REGULATION

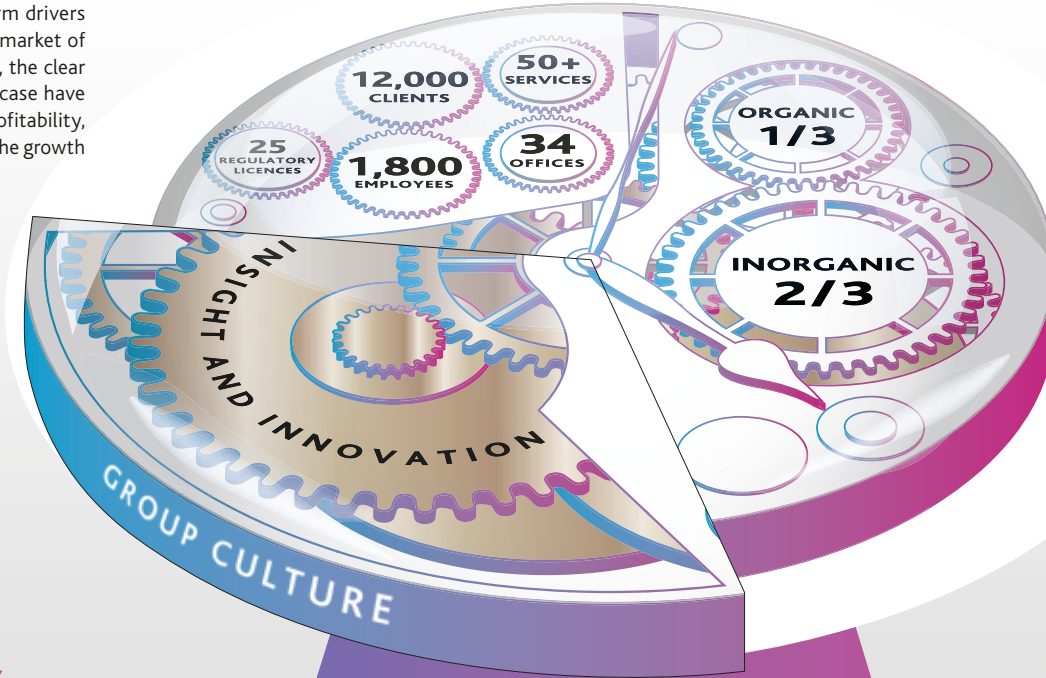
GROWING PROPENSITY TO OUTSOURCE

CONTINUED MARKET CONSOLIDATION

SUSTAINABILITY, IMPACT & ESG

OPPORTUNITIES THROUGH TECHNOLOGY

GLOBAL ADDRESSABLE MARKET
\$12bn



JTC INVESTMENT CASE

EXPERIENCED AND ENTREPRENEURIAL MANAGEMENT TEAM

DESIGNED FOR GROWTH, ORGANIC AND INORGANIC

HIGHLY VISIBLE RECURRING REVENUE AND STRONG CASH CONVERSION

WELL DIVERSIFIED ACROSS CLIENTS, SERVICES AND GEOGRAPHIES

PROVEN TRACK RECORD OF M&A AND INTEGRATION

WELL-INVESTED SCALABLE GLOBAL PLATFORM

36

YEARS OF GROWTH

FOUNDED
1987



BLACK MONDAY
1987

GLOBAL FINANCIAL CRISIS
2007

COVID PANDEMIC
2020

SHAPING MARKETS

SHAPING MARKETS

GROUP COMMERCIAL OFFICE

- Industry experience
- Market direction
- Delivery of products and services
- Shape the future

PRIVATE OFFICE

- Sophisticated PCS clients, typically UHNW individuals & families

c.£13m

2023 revenue

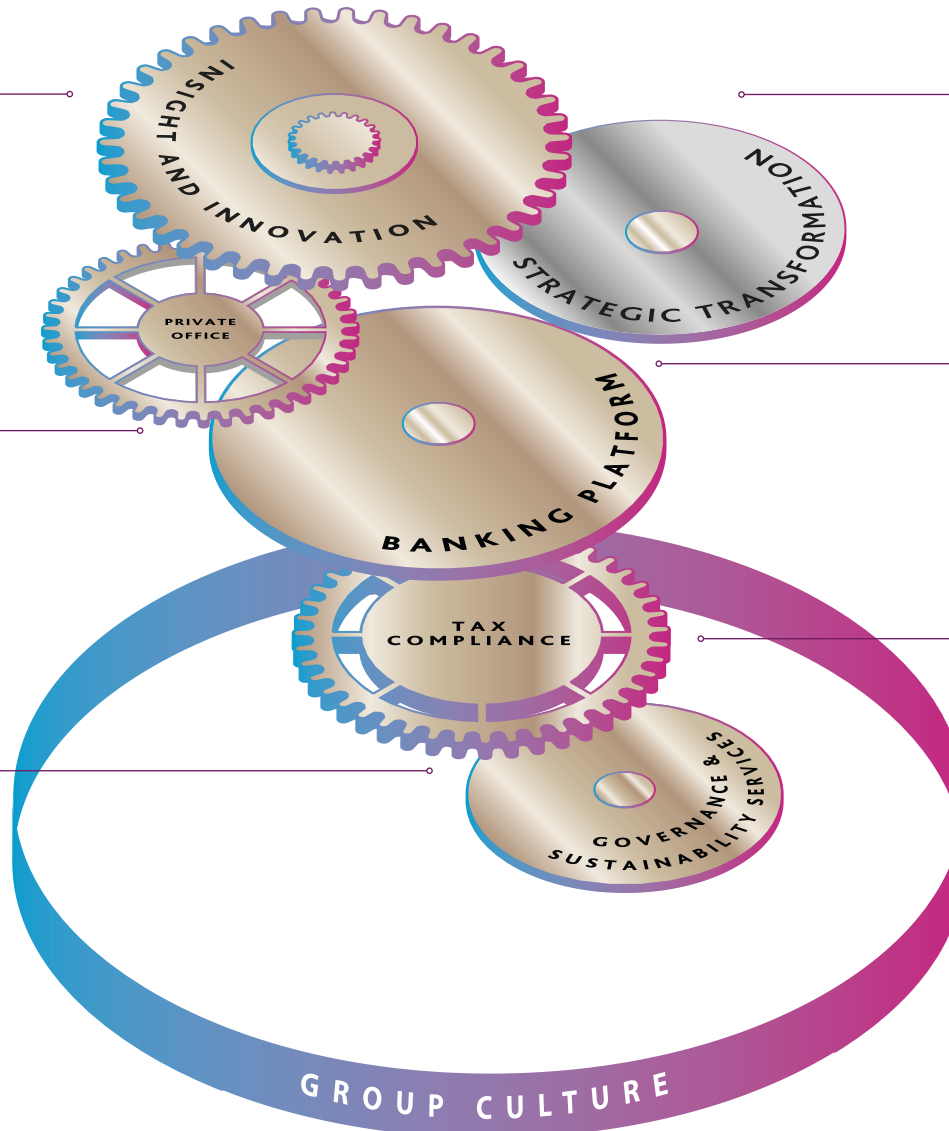
GOVERNANCE SERVICES

- Governance Healthchecks
- Operational Due Diligence
- Governance remediation

SUSTAINABILITY SERVICES

- Advisory
- Regulatory compliance
- Outsourced reporting
- Virtual CSO

Early Stage



STRATEGIC TRANSFORMATION

- Asset managers
- Global banks
- International law firms
- Trust companies

c.£7m

2023 revenue

BANKING

- Treasury
- FX
- Custody
- Account opening

c.£26m

2023 revenue

TAX COMPLIANCE

- FATCA
- CRS
- Substance
- VAT

c.£8m

2023 revenue

As a result of our decades of experience, we are able to understand the direction of travel within the industry and innovate to create services that meet emerging client demands.

Using our ability to horizon scan and develop capabilities that are likely future requirements of our markets, we can shape both our future and that of the wider sector.

This work, which is Group-wide, is catalysed by our central Group Commercial Office, collaborating directly with the two Divisions and our Group Operations teams to bring services to market.

STRATEGY, INORGANIC GROWTH

PORTFOLIO OF GALAXY ERA ACQUISITIONS

DEAL CHARACTERISTICS

- Strengthen service delivery
- Strengthen and embed client relationships
- Acquire skilled workforce
- Increase Group profitability
- Provide cost synergies/cross-selling opportunities

OVERVIEW

Galaxy was a busy era for acquisitions with nine deals completed in total, comprising a mix of both transformational and bolt-on transactions across our ICS and PCS Divisions. Aside from SDTC, which was acquired in 2023, all of our acquisitions have completed their integrations into JTC. Capital support for the acquisition strategy has been strong on both the debt and equity side, with additional facilities secured via two successful bank refinancings completed and our total committed debt facilities now extended to £400m with an additional £100m accordion available. We had three oversubscribed equity fundraises supporting our M&A activity, which provided additional liquidity in our shares and allowed us to add new, high-quality investors to our shareholder register.

9 ACQUISITIONS COMPLETED

5 BILATERAL/OFF-MARKET

5 US MARKET



Acquired new services lines, enhanced our proposition within our existing service lines and grew share of wallet with our clients

Enhanced the quality, diversity and lifespan of our client book

Added additional locations, expertise and talented resource, improving JTC's depth and breadth in key growth markets globally

GEOGRAPHY		
UK, Channel Islands	UK, Ireland	US
YEAR		
April 2021	June 2021	September 2021
DIVISION		
ICS	ICS	ICS
DEAL TYPE		
Transformational Bank carve out Auction process	Bolt-on Privately owned Auction process	Bolt-on Privately owned Bilateral
SIZE (EV) & CHARACTERISTICS		
£10-30m ■ ■ ■ ■ 	£10-30m ■ ■ ■ 	<£10m ■ ■ ■
PRIMARY DRIVER		
Enhanced service line (Employer Solutions) and new client access	Broadened service offering – Depository	Enhanced US funds platform
2+2=5 FACTOR		
Treasury revenue opportunities	Governance solutions/ ESG capabilities	Venture capital client base and expertise

STRATEGY, INORGANIC GROWTH CONTINUED
 PORTFOLIO OF 9 GALAXY ERA ACQUISITIONS COMPLETED CONTINUED

DEAL CHARACTERISTICS

- Strengthen service delivery
- Strengthen and embed client relationships
- Acquire skilled workforce
- Increase Group profitability
- Provide cost synergies/cross-selling opportunities



GEOGRAPHY

UK US Ireland US US US

YEAR

October 2021 November 2021 December 2021 December 2021 November 2022 August 2023

DIVISION

ICS ICS ICS ICS PCS PCS

DEAL TYPE

Bolt-on
Privately owned
Bilateral Transformational
PE owned
Auction process Bolt-on
Privately owned
Auction process Bolt-on
Privately owned
Bilateral Bolt-on
Bank carve out
Bilateral Transformational
Privately owned
Bilateral

DEAL SIZE (EV)

<£10m >£150m £10-30m <£10m £10-30m >£150m

PRIMARY DRIVER

Broadened service offering –
Operational Due Diligence New service line – Insurance
Dedicated Funds Broadened service offering
– Irish ManCo Enhanced US funds platform Broadened service offering
– Delaware Trust licence
and capabilities Enhanced US trust platform

2+2=5 FACTOR

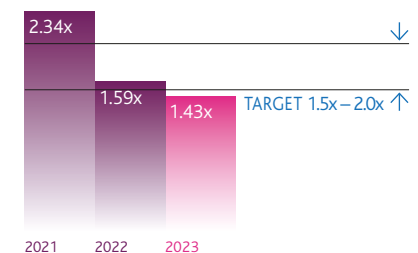
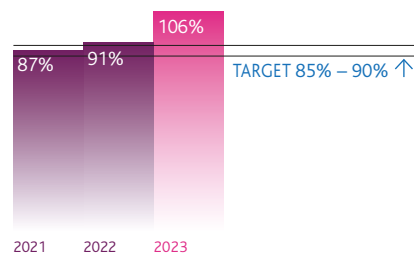
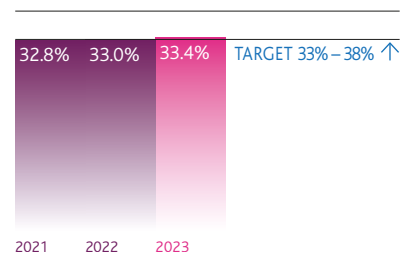
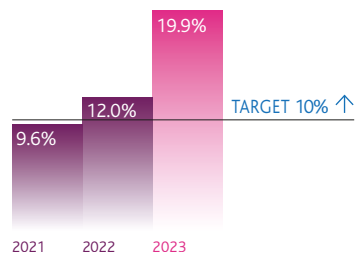
Differentiated capability
vs competitors and c
ross-sell enhancement Platform business – acceleration of
growth for JTC’s US Fund services
and cross-sell opportunities Acceleration of growth for JTC’s
Irish Fund and depositary services Acceleration of growth for
JTC’s US Fund services Only independent with Delaware and
South Dakota licences and capabilities Platform business – increase share
of client wallet through penetration
of additional service offerings

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

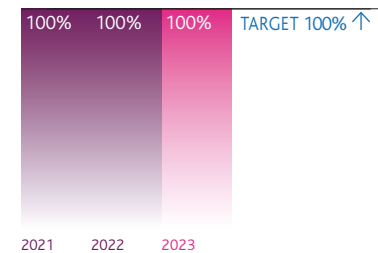
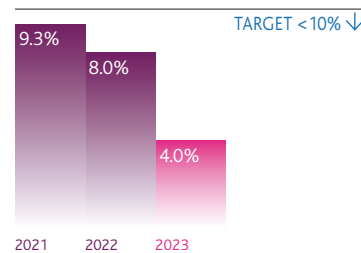
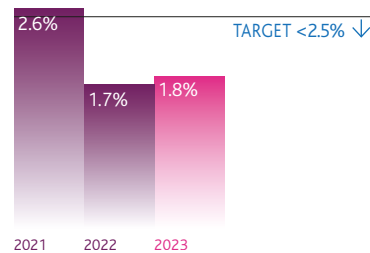
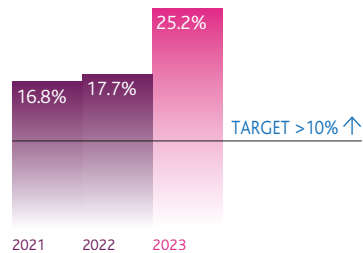
The JTC Board uses the following KPIs to measure the performance of the Group

REVENUE	UNDERLYING EBITDA MARGIN	UNDERLYING CASH CONVERSION	LEVERAGE
DEFINITION Revenue is defined as income arising in the course of an entity's ordinary activities.	EBITDA margin of the business excluding non-underlying items.	Underlying cash generated from operating 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.	Collecting cash from the profits we generate 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.
2023 PERFORMANCE Revenue growth of 28.7% which comprised 19.9% net organic revenue growth and inorganic revenue growth of 8.8%.	Increase of 0.4pp to 33.4%.	106% underlying cash conversion (2022: 91%).	1.43x underlying EBITDA (2022: 1.59x).
COMMENTARY The PCS Division achieved 48.5% revenue growth and the ICS Division achieved 19.5% revenue growth.	The ICS Division achieved 31.6% (+0.1pp) continuing the positive trend seen in recent years. The PCS Division achieved 36.5% (+0.2pp) remaining towards the top end of our guidance range.	Underlying performance ahead of guidance and this reflects the continuing strong focus on working capital management.	This has been driven by exceptional cash conversion and creates more capacity for investing in the business.
TARGET The target in the Galaxy era (2021 to 2023 inclusive) was 8% – 10%. We now target net organic revenue growth of 10%+ 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

NEW BUSINESS WINS	CLIENT ATTRITION	STAFF TURNOVER	SHARED OWNERSHIP
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. Winning new business is an important component in the delivery of our organic growth targets.	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.
2023 PERFORMANCE			
Another record year for new business wins with an increase by value of 25.2% to £30.8m.	Total client attrition was 5.1% (2022: 6.4%) with regretted attrition (not end of life) of 1.8% (2022: 1.7%).	Turnover of 4.0% at Group level (2022: 8.0%).	100% of permanent employees are owners of the business with staff holding c. 15% of issued share capital.
COMMENTARY			
The ICS Division won new business with a total annualised value of £20.6m and the PCS Division won new business with an annualised value of £10.2m.	98.2% (2022: 98.3%) of revenues that were not end of life were retained in the period.	Our people are highly regarded, and therefore attractive, in the industry and therefore this is a very good performance.	All new staff are awarded shares when they successfully complete their probation period, as well as becoming eligible for the EIP.
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.



CHIEF FINANCIAL OFFICER'S REVIEW



EXCEPTIONAL FINANCIAL PERFORMANCE



	AS REPORTED			UNDERLYING*		
	2023	2022	CHANGE	2023	2022	CHANGE
Revenue (£m)	257.4	200.0	+28.7%	257.4	200.0	+28.7%
EBITDA (£m)	77.8	56.1	+38.8%	85.9	66.0	+30.1%
EBITDA margin*	30.2%	28.0%	+2.2pp	33.4%	33.0%	+0.4pp
Operating profit/EBIT (£m)	52.7	33.8	+55.8%	60.8	43.8	+38.8%
Profit before tax (£m)	24.3	35.9	-32.3%	40.5	34.1	+18.9%
Earnings per share (p)**	14.20	23.92	-40.6%	37.23	33.27	+11.9%
Cash conversion*	106%	91%	+15pp	106%	91%	+15pp
Net debt (£m)	135.1	120.4	+14.7	123.3	104.8	+18.5
Dividend per share (p)	11.17	9.98	+11.9%	11.17	9.98	+11.9%

* For further information on our alternative performance measures (APMs) see the appendix to the CFO Review.

** Average number of shares (thousands) for 2023: 153,659 (2022: 145,137).

EXCEPTIONAL FINANCIAL PERFORMANCE

- Revenue +28.7%, driven by record net organic growth of 19.9% (2022: 12.0%).
- Underlying EBITDA +30.1% to £85.9m (2022: £66.0m) with an improvement in underlying EBITDA margin to 33.4% (2022: 33.0%).
- New business wins +25.2% to £30.8m (2022: £24.6m).
- Significant reduction in attrition to 5.1% (2022: 6.4%) reflecting the longevity of client relationships associated with recent acquisitions.
- Exceptional underlying cash conversion of 106% (2022: 91%) resulting in leverage of 1.43x underlying EBITDA at period end, below the guidance range of 1.5 to 2.0x.
- Increased debt facility of £400m at period end to support delivery of Cosmos business plan.
- Total dividend per share +11.9% to 11.17p (2022: 9.98p).

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER



CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

REVENUE

In 2023, revenue was £257.4m, an increase of £57.4m (+28.7%) from 2022 (+35.6%). Revenue growth on a constant currency basis was also +28.7% (2022: +32.0%).

Net organic growth continued to be strong through the year with an excellent full-year result of 19.9% (2022: 12.0%). The rolling three year average increased to 13.8% (2022: 9.8%).

As highlighted in our interim results, we have continued to see particularly strong volume growth in the business. This was driven by the expansion of our Tax Compliance offering as well as an increased uptake of our Treasury and Banking services. As a predominantly time and materials business, organic growth was also supported by strong pricing growth.

Our largest 15 clients represent 9.5% (2022: 10.7%) of our annual revenue thereby demonstrating the lack of customer concentration in the business. The new business pipeline is healthy and at the period end stood at £54.9m (31.12.2022: £45.8m).

Net organic growth was driven by gross new business revenues in the year of £49.6m (24.9%) (2022: £23.9m, 18.4%). Within this we saw client attrition of 5.1% (2022: 6.4%), with the three year average falling to 6.4% (2022: 7.7%).

Alongside the increased lifetime value of our book and long-term earnings stability, this reduction in attrition can be attributed in large part to the high quality acquisitions the Group has made in recent years (notably RBC cees and SALI). In making these acquisitions, we deployed our capital at a lower immediate rate of return knowing that the contracts associated with these businesses are typically of a 30 – 40 year duration and represented a sound investment in the future of the business.

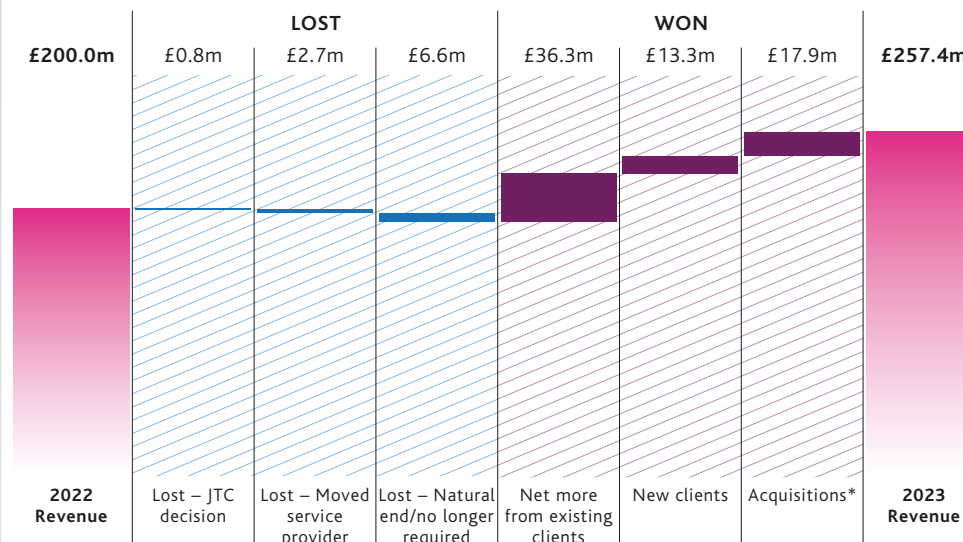
The retention of revenues that were not end of life remained consistent at 98.2% (2022: 98.3%) with the rolling three year average improving to 98.0% (2022: 97.4%).

Geographical growth is summarised below, with the highlight being the US which grew by +70.5% and represents 25% of our 2023 revenues (2022: 19%).

REVENUE BY GEOGRAPHY

	2023 REVENUE	2022 REVENUE	£ +/-	% +/-
UK & Channel Islands	£128.2m	£107.8m	+£20.4m	+18.9%
US	£64.8m	£38.0m	+£26.8m	+70.5%
Rest of Europe	£38.7m	£34.3m	+£4.4m	+12.7%
Rest of the World	£25.7m	£19.9m	+£5.8m	+29.3%
	£257.4m	£200.0m	+£57.4m	+28.7%

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



* When JTC acquires a business, the acquired book of clients are defined as inorganic for the first two years of JTC ownership. Acquired clients contributed an additional £17.9m in 2023 and is broken down as follows: NYPTC £5.2m and SDTC £12.7m.

UNDERLYING EBITDA AND MARGIN PERFORMANCE

Underlying EBITDA in 2023 was £85.9m, an increase of £19.9m (30.1%) from 2022.

We are pleased to have delivered further margin improvement with an underlying EBITDA margin of 33.4% (2022: 33.0%), despite the macroeconomic environment remaining uncertain.

Management were also particularly pleased to be able to deliver margin improvement at the same time as registering organic growth of 19.9%. During periods of heightened growth, the required up-front investment in infrastructure and human capital inherently slows down margin progression. This initial investment is a key allocation of capital in order to maximise and deliver on growth opportunities and ensure the continued longevity of our client relationships.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

INSTITUTIONAL CLIENT SERVICES

Revenue increased by 19.5% when compared with 2022 (47.4%).

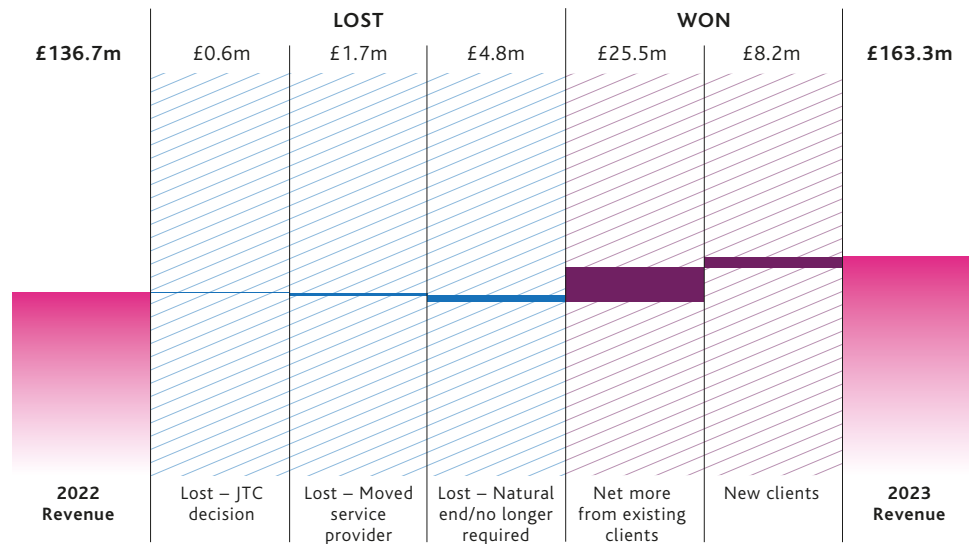
Net organic growth, on a constant currency basis, was 19.4% (2022: 14.6%) with the main source of growth coming from the US. The rolling three year average now stands at 15.2% (2022: 11.0%).

Attrition for the Division fell to 5.2% (2022: 7.5%), of which 3.5% (2022: 5.6%) was for end of life losses. The improvement in attrition is largely attributable to the SALL and RBC cees acquisitions but also to lengthening of structure lives as the adverse economic environment persisted.

Revenue growth, on a constant currency basis, is summarised below.

The Division's underlying EBITDA margin increased from 31.5% in 2022 to 31.6% in 2023 and we are pleased that the margin continues to improve in the face of outstanding growth and continued investment.

REVENUE GROWTH ICS



PRIVATE CLIENT SERVICES

Revenue increased by 48.5% when compared with 2022 (15.7%).

Net organic growth, on a constant currency basis, was 20.9% (2022: 8.7%) with strong growth in the Caribbean, US, and Jersey. The rolling three year average now stands at 12.2% (2022: 8.3%).

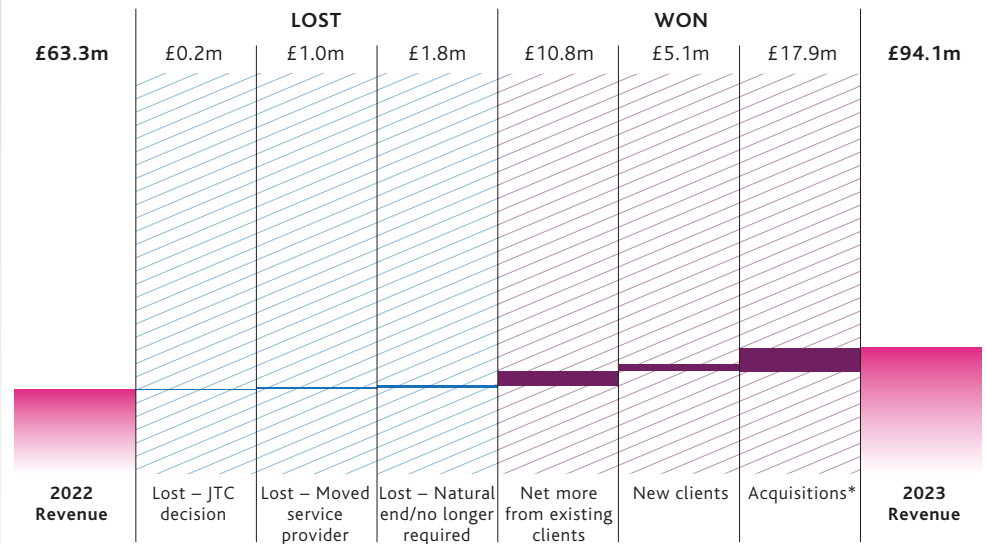
Attrition for the Division was consistent at 5.0% (2022: 4.8%), of which 3.0% (2022: 3.3%) were for end of life losses.

Net organic growth for the Division in 2022 had been suppressed whilst we onboarded our largest ever mandate. This was a complex mandate to fulfil and without these revenues in 2023, the Division would have been well above our medium-term guidance range.

Revenue growth, on a constant currency basis, is summarised below.

The Division's underlying EBITDA margin increased from 36.3% in 2022 to 36.5% in 2023. The Division continues to perform well and the margin improvement has been driven by the integration of NYPTC and the recent acquisition of SDTC.

REVENUE GROWTH PCS



* When JTC acquires a business, the acquired book of clients are defined as inorganic for the first two years of JTC ownership. Acquired clients contributed an additional £17.9m in 2023 and is broken down as follows: NYPTC £5.2m and SDTC £12.7m.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

PROFIT BEFORE TAX

The reported profit before tax was £24.3m (2022: £35.9m).

The depreciation and amortisation charge increased to £25.1m from £22.3m in 2022. Of the £2.8m increase, £2.2m was as a result of intangible assets and £0.4m as a result of increased depreciation charges on property, plant and equipment.

Whereas in 2022 we reported an exchange rate gain upon revaluation of our intercompany loans of £11.9m, in 2023 there was a translation loss of £8.5m as a result of closing exchange rates. Management considers these gains/(losses) as non-underlying as they are unrealisable movements from the elimination of inter-company loans upon consolidation and do not relate to the underlying trading activities of the Group.

Adjusting for non-underlying items, the underlying profit before tax increased by 18.9% to £40.5m (2022: £34.1m).

The relative increase was lower than the 30.1% growth reported in underlying EBITDA and this was due to the increased interest expense on our borrowings that fund M&A activity and an underlying foreign exchange rate loss of £1.1m (2022: £2.5m gain).

The interest rate applied to our loan facilities is determined using SONIA plus a margin based on net leverage calculations. Policy rate increases in 2023 resulted in a £5.9m increase in the interest expense on our borrowings.

The Board sought to increase the predictability of JTC's interest expense and minimise market risk over the next couple of years. During Q4 2023, we successfully completed a refinancing process and purchased a two year interest rate swap covering £180m of our drawn debt facilities. This fixed the interest rate for that portion of the facility at c. 4.3% (excluding bank margin). The remaining balance of the facility is chargeable at the floating SONIA rate.

NON-UNDERLYING ITEMS

Non-underlying items incurred in the period totalled a £16.2m debit (2022: £1.9m credit) and comprised the following:

	2023 £M	2022 £M
EBITDA		
Acquisition and integration costs	7.1	3.4
Office start-up costs	0.6	0.8
Other costs	0.4	0.2
Employee Incentive Plan (EIP)	–	5.2
Revision of ICS operating model	–	0.4
Total non-underlying items within EBITDA	8.1	10.0
Profit before tax		
Items impacting EBITDA	8.1	10.0
(Gains)/losses on revaluation of contingent consideration	(0.4)	0.1
Foreign exchange losses/(gains)	8.5	(11.9)
Total non-underlying items within profit before tax	16.2	(1.9)

Non-underlying items within EBITDA were lower than the prior period as 2022 included an EIP expense in relation to the vesting of the second tranche of awards made to employees in 2021.

Acquisition and integration costs of £7.1m were £3.7m higher than 2022, reflecting the increased M&A activity and primarily the costs associated with the acquisition of SDTC.

Office start-up costs of £0.6m included costs in relation to establishing the infrastructure to trade in new offices in Austria and the Bahamas. Our experience is that these require significant up-front investment in personnel in advance of trading and the generation of revenues.

The gain on revaluation of contingent consideration relates to the Segue earn-out (acquired Q2 2021) where upon reassessment on 31 December 2023, Management concluded that no additional payments would be due.

As highlighted in the profit before tax commentary, the foreign exchange loss of £8.5m relates to the revaluation of inter-company loans (£11.9m gain in 2022).

TAX

The net tax charge in the year was £2.5m (2022: £1.2m). The cash tax charge was £4.1m (2021: £2.8m), but this is reduced by deferred tax credits of £1.6m (2022: £1.6m) mainly as a result of movements in relation to the value of acquired intangible assets held on the balance sheet. When excluding non-underlying items, our 2023 effective tax rate was 10.1% (2022: 8.2%).

With our increasing global presence, this increased tax rate reflects the restructuring of our US businesses to support the M&A activity in the region. This has resulted in an increased tax charge but enables the Group to efficiently manage its global cash flows.

The Group regularly reviews its transfer pricing policy, is fully committed to responsible tax practices and continues to be fully compliant with OECD guidelines. Whilst we are not legally required to publish our tax strategy, we consider it best practice to demonstrate transparency on tax matters and our Board-approved strategy is available online.

EARNINGS PER SHARE

Basic EPS decreased by 40.6% to 14.20p. Taking into account non-underlying items and adjustments that we make against profit for the year our adjusted underlying EPS increased by 11.9% and was 37.23p (2022: 33.27p).

Adjusted 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, impairment of intangible customer relationships and the unwinding of net present value discounts in relation to contingent consideration.

RETURN ON INVESTED CAPITAL (ROIC)

ROIC for 2023 was 12.3%, reporting a strong increase on prior year (2022: 11.5%) with both periods significantly above our cost of capital. In 2023 we completed the acquisition of SDTC, our largest to date, and such outlays can result in a short-term dilution on returns.

These investment decisions are critical and when evaluating opportunities, we consider both the immediate return on capital but also the long-term potential and strategic fit. As highlighted in the commentary on revenue, the SALL acquisition (acquired in 2021) was an example whereby short-term return on capital was reduced but we gained 30 – 40 year customer life-cycles which lead to lower attrition rates as well as significant cross-selling opportunities resulting in attractive returns when measured over the long term.

We measure ROIC on a post-tax basis and more information on our approach can be found in the CFO's Review appendix.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

INTANGIBLE ASSETS

Our total assets at 31 December 2023 were £905.1m, a c. 300% increase to the £225.3m reported in our first post-IPO set of results (2018). Much of this increase has been the result of acquisitions, with goodwill now comprising 58% of our total assets with other intangible assets representing a further 16%.

Goodwill is assessed for impairment on an annual basis, or more frequently if events or changes in circumstances indicate potential impairment. No goodwill impairments were recorded in 2023. One significant and positive change in 2023 was the consolidation of our US ICS acquisitions into one single cash-generating unit (CGU) – reflecting both how the segment is now managed and the successful integration of these acquisitions.

Customer relationships that form part of other intangible assets are subject to impairment assessments when impairment indicators are present. Forthcoming legislative changes in the Netherlands highlighted a possible impairment with our previously acquired Aufisco customer relationship. Having considered all the risk factors, the Group decided to sell its Global Tax Support (GTS) subsidiary (sold on 1 March 2024). The assessment of the customer relationship balance at 31 December 2023 resulted in a £0.7m impairment. No goodwill impairment was required for the Netherlands CGU.

CASH FLOW AND DEBT

Underlying cash generated from operations was £91.2m (2022: £60.3m) and underlying cash conversion was 106%, significantly ahead of 2022 (91%) and well above our medium-term guidance range.

This exceptional result was driven by the acceleration in the growth of our Treasury and Banking services and our growing US presence, both of which continued to shorten our working capital cycle with highly predictable and timely cash receipts. These helped drive down our net investment days, excluding SDTC, to 89 (2022: 110).

Management maintain their medium-term cash conversion guidance range of 85% – 90%.

Reported net debt includes cash balances set aside for regulatory compliance purposes. Underlying net debt excludes this and at the period end was £123.3m compared with £104.8m at 31 December 2022. This increase in net debt at the year end was expected as the business funded the SDTC acquisition in part through a £62m gross fundraise in June and a subsequent £118m drawdown from its debt facility on 1 August 2023.

We are pleased to report that we reduced our net debt / underlying EBITDA leverage at the year end to a level below our guidance range (1.5x – 2.0x) at 1.43x (2022: 1.59x).

The business completed a successful refinancing process in Q4 2023 and increased its debt facilities to £400m, with an accordion for an additional £100m. As of 31 December 2023, the Group had undrawn funds of £176.3m providing the business with significant capacity for further M&A activity. The facilities terminate on 4 December 2026 with an option to extend to 30 June 2028.

Post year end, on the 10 January 2024, the Group paid out £21.1m from its cash on hand to settle the SALI earn-out in full.

DIVIDEND PER SHARE

We are pleased to propose a final dividend of 7.67p, resulting in a 2023 dividend per share of 11.17p (2022: 9.98p) which was a 11.9% increase on prior year. This remains consistent with our dividend policy to declare at 30% of adjusted underlying EPS.

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

APPENDIX: RECONCILIATION OF REPORTED RESULTS TO ALTERNATIVE PERFORMANCE MEASURES (APMS)

In order to assist the reader's understanding of the financial performance of the Group, APMs have been included to better reflect the underlying activities of the Group excluding specific items as set out in note 7 in 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.

An explanation of our key APMs and link to equivalent statutory measure has been detailed below.

ALTERNATIVE PERFORMANCE MEASURE	CLOSEST EQUIVALENT STATUTORY MEASURE	APM DEFINITION / PURPOSE AND STRATEGIC LINK
Net organic revenue growth %	Revenue	<p>Definition: Revenue growth from clients not acquired through business combinations and reported on a constant currency basis where the prior year results are restated using current year consolidated income statement exchange rates.</p> <p>Acquired clients are defined as inorganic for the first two years of JTC ownership.</p> <p>Purpose and strategic link: Enables the business to monitor growth excluding acquisitions and the impact of external exchange rate factors. The current strategy is to double the size of the business by a mix of organic and acquisition growth and the ability to monitor and set clear expectations on organic growth is vital to the successful execution of its business strategy.</p> <p>For all periods up to and including 2023, Management's medium-term guidance range was 8% – 10%.</p>
Underlying EBITDA %	Profit/(loss)	<p>Definition: Earnings before interest, tax, depreciation, and amortisation excluding non-underlying items (see note 7 of the financial statements).</p> <p>Purpose and strategic link: An industry-recognised alternative measure of performance which has been at the heart of the business since its incorporation and therefore fundamental to the performance management of all business units.</p> <p>The measure enables the business to measure the relative profitability of servicing clients.</p> <p>Management's medium-term guidance range is 33% – 38%.</p>
Underlying cash conversion %	Net cash from operating activities	<p>Definition: The conversion of underlying EBITDA into cash excluding non-underlying items.</p> <p>Purpose and strategic link: Measures how effectively the business is managing its operating cash flows. It differs to net cash from operating profits as it excludes non-underlying items and tax, the latter in order to better compare operating profitability to cash from operating activities.</p> <p>Management's medium-term guidance range is 85% – 90%.</p>
Underlying leverage	Cash and cash equivalents	<p>Definition: Leverage ratio showing the relative amount of third party debt (net of cash held in the business) that we have in comparison to underlying LTM EBITDA.</p> <p>Purpose and strategic link: Ensures Management can measure and control exposure to reliance on third party debt in support of its inorganic growth.</p> <p>Management's medium-term guidance range is 1.5x – 2.0x.</p>
Adjusted underlying basic EPS (p)	Basic Earnings Per Share	<p>Definition: Reflects the profit after tax for the year adjusted to remove the impact of non-underlying items. Additionally, a number of other items relating to the Group's acquisition activities, including amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees, impairment of intangible customer relationships and the unwinding of NPV discounts in relation to contingent consideration, are removed.</p> <p>Purpose and strategic link: Presents an adjusted underlying basic EPS which is used more widely by external investors and analysts, and is in addition the basis upon which the dividend is calculated.</p>
Return on Invested Capital (ROIC)	Profit/(loss)	<p>Definition: Reflects the net operating profit after tax divided by the average invested capital.</p> <p>Purpose and strategic link: Measures our capital efficiency in generating profit against deployed capital. An industry-accepted APM and one that both external investors and analysts use in addition to statutory measures.</p>

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

A reconciliation of our APMS to their closest equivalent statutory measure has been provided below.

1. ORGANIC GROWTH

	2023 £M	2022 £M
Reported prior year revenue	200.0	147.5
Impact of exchange rate restatement	–	4.1
Acquisition revenues	(1.0)	(21.2)
a. Prior year organic growth	199.0	130.4
Reported revenue	257.4	200.0
Less: acquisition revenues	(18.9)	(54.0)
b. Current year organic growth	238.5	146.0
Net organic growth % (b/a) –1	19.9%	12.0%

2. UNDERLYING EBITDA

	2023 £M	2022 £M
Reported profit	21.8	34.7
Less:		
Income tax	2.7	1.2
Finance cost	19.2	12.3
Finance income	(0.8)	(0.2)
Other losses/(gains)	9.7	(14.2)
Depreciation and amortisation	25.1	22.3
Non-underlying items within EBITDA*	8.1	10.0
Underlying EBITDA	85.9	66.0
Underlying EBITDA %	33.4%	33.0%

* As set out in note 7 in the financial statements. A reconciliation of divisional EBITDA can be found in note 4 of the financial statements.

3. UNDERLYING CASH CONVERSION

	2023 £M	2022 £M
Net cash generated from operating activities	81.3	53.3
Less:		
Non-underlying cash items*	6.5	4.9
Income taxes paid	3.4	2.1
a. Underlying cash generated from operations	91.2	60.3
b. Underlying EBITDA	85.9	66.0
Underlying cash conversion (a/b)	106%	91%

* As set out in note 35.2 in the financial statements.

4. UNDERLYING LEVERAGE

	2023 £M	2022 £M
Cash and cash equivalents	97.2	48.9
Bank debt	(220.5)	(153.6)
a. Net debt – underlying	123.3	104.8
b. Underlying EBITDA	85.9	66.0
Leverage (a/b)	1.43	1.59

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

5. ADJUSTED UNDERLYING BASIC EPS

	2023 £M	2022 £M
Profit for the year as per basic EPS	21.8	34.7
Less:		
Non-underlying items*	16.8	(1.9)
Amortisation of customer relationships, acquired software and brands	14.3	12.4
Impairment of customer relationship intangible asset	0.7	–
Amortisation of loan arrangement fees	0.8	1.1
Unwinding of NPV discounts for contingent consideration	5.1	3.5
Temporary tax differences arising on amortisation of customer relationships, acquired software and brands	(1.7)	(1.5)
a. Adjusted underlying profit for the year	57.2	48.3
b. Weighted average number of shares	153.7	145.1
Adjusted underlying basic EPS (a/b)	37.23	33.27

The definition of adjusted underlying basic EPS was updated to include the removal of any impairments to acquired intangible assets. Management consider this adjustment to be consistent with their existing treatment of acquired intangible assets. Prior to this update, the adjusted underlying EPS was 36.76p (2022: 33.27p).

* As set out in note 7 in the financial statements.

6. RETURN ON INVESTED CAPITAL

	2023 £M	2022 £M
Profit for the period	21.8	34.7
Add back:		
Non-underlying items	16.2	(1.9)
Amortisation of customer relationships, acquired software and brands	14.3	12.4
Impairment of customer relationship intangible asset	0.7	–
Temporary tax differences arising on amortisation of customer relationships, acquired software and brands	(1.7)	(1.5)
Net finance costs	18.4	12.1
Tax estimate on financing costs	(0.3)	(0.4)
a. Net operating profit after taxes	69.5	55.3
+ Closing equity	503.9	400.2
+ Closing debt	220.5	153.6
– Closing cash	(97.2)	(48.9)
Invested capital	627.2	505.0
b. Average invested capital (opening + closing/2)	566.1	481.4
c. ROIC (a/b)	12.3%	11.5%

BUSINESS REVIEW

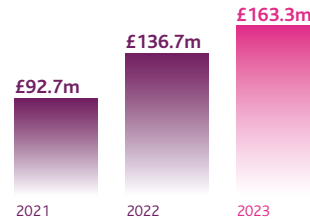
INSTITUTIONAL CLIENT SERVICES

“What I found came as little surprise, the ICS Division is full of world-class talent and brimming with energy and ideas to move the business forward.”

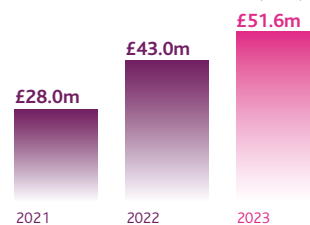
DEAN BLACKBURN,
GROUP HEAD OF
INSTITUTIONAL CLIENT SERVICES



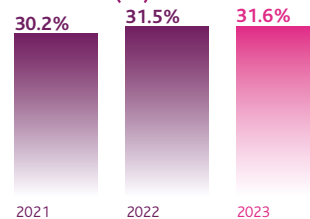
REVENUE (£M)



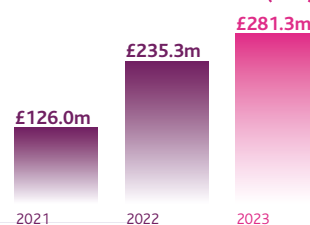
UNDERLYING EBITDA (£M)



UNDERLYING EBITDA MARGIN (%)



LIFETIME VALUE WON (£M)



HIGHLIGHTS

- Strong revenue growth of 19.5% and record new business wins of £20.6m.
- Increased global recognition for expertise and service quality.
- Establishment of a regional management model globally, with particular focus on the leadership of the US business, the UK & Ireland and Africa & Asia.
- Increase in diversity of the ICS leadership team with significantly improved employee retention. Female membership of the Executive Committee now 30% and a reduction in regretted turnover within the Division from 15% in 2022 to 5%.
- Continuing investment in new and adjacent service lines to meet clients' needs and drive revenue growth, including Sustainability Services, Regulatory Compliance Services and an expansion into Custody Services as part of our Banking proposition.
- Ongoing robust risk management despite an ever-increasing regulatory burden.

AN OUTSTANDING GLOBAL TEAM

One of my priorities this year was to connect with as many of the 1,000+ members of the global ICS team in person as possible and I was pleased to have the opportunity to visit all 21 offices during the period, as well hosting a regular series of virtual town hall meetings. What I found came as little surprise, the ICS Division is full of world-class talent and brimming with energy and ideas to move the business forward. My focus during the period was very much on how we could work more closely together and bring the collective power and diversity of our people and services to support our increasingly global clients. I am delighted with the outstanding contribution that the ICS Division delivered financially, operationally and also in terms of our Shared Ownership culture.

ACCELERATING OUR GROWTH

2023 was an excellent year for ICS, with growth in revenues to £163.3m (2022: £136.7m), and EBITDA of £51.6m (2022: £43.0m) at an EBITDA margin of 31.6% (2022: 31.5%). All growth in the year was organic, meaning net organic revenue growth was a particularly impressive 19.4% (2022: 14.6%) with record new business wins of £20.6m (2022: £17.2m). The high levels of growth and strong EBITDA margin helped the Group to achieve its Galaxy era goals and further progressed our vision to be the partner of choice for global fund and corporate solutions. The investment made in establishing an ICS Operations Office has delivered greater focus and capacity to drive forward our continuous improvement programmes across our platform through enhanced processes and the smart application of technology, which in turn helped yield greater consistency of client service and efficiencies.

CAPTURING M&A VALUE

2021 saw the Division complete a record seven deals, which naturally led to 2022 being focused on integrating those businesses onto the JTC platform. In 2023, the work to realise the latent value from these acquisitions made further excellent progress, helping to deliver the results for the year. Post period end in January we announced that SALI, the platform fund services business acquired in the US in 2021, had achieved its performance targets for the two-year post completion earn-out period. We are very pleased with SALI's performance and it has integrated well into the Group, with particularly strong cultural alignment. SALI continues to provide highly predictable, long-term revenue streams with further opportunities for growth in the future.

“The ever-increasing size of new client mandates we have been seeing and winning in ICS over recent years is a clear vindication of our ability to deliver against highly sophisticated and complex requirements.”

In the final quarter of the year, we announced the acquisition of Blackheath Capital Management, a small bolt-on deal, to our Global AIFM Solutions offering, enhancing our capabilities in the strategically important UK market. Regulatory approval to complete the transaction was received post period end.

Last year I highlighted the success of our Employer Solutions service (acquired in 2021 as the RBC cees business) and our plans to invest in a three-year platform enhancement programme to evolve the client experience and accelerate and drive organic growth. The central objectives are to re-imagine the online experience for plan members and drive greater operational efficiency by automating previously manual processes. During 2023 we made further excellent progress and remain on track to complete the programme in 2024.

CLIENT FOCUS

The ever-increasing size of new client mandates we have been seeing and winning in ICS over recent years is a clear vindication of our ability to deliver against highly sophisticated and complex requirements and to go beyond the role of a traditional service provider. Becoming a trusted adviser is central to our aims and we are delighted to be playing such an important role in helping to realise strategic transformation for our clients. As part of my visitation programme, I had

the pleasure of meeting many of our largest and most complex clients. Their feedback on the quality of our service provision was testament to the skill and dedication of our people and reinforced my belief that people-led service excellence remains the key differentiator for JTC in our markets. This feedback was great to hear first-hand and was further evidenced by a number of award wins during the year, in particular for our Fund Services teams.

RECORD NEW BUSINESS WINS AND DOUBLING DOWN ON SERVICE EXCELLENCE

The macroeconomic uncertainty I referenced last year continued in 2023. Despite these challenging conditions, we set another record for new business wins, securing £20.6m of new mandates (2022: £17.2m), an increase of 19.8%. Of these wins, £4.0m came from internal cross-sales, which was another record. It is clear that the investments we have made – and continue to make – in our business development and marketing capabilities are delivering strong commercial results. As we enter the Cosmos era, we will continue to focus on this element of our work, with organic growth being one of four key strategic ‘pillars’ that underpin the ICS strategy. To support delivery of these pillars, post period end we created two new global roles, Head of Client Experience and Head of Strategic Execution, both of which were filled by experienced internal candidates.



“Despite these challenging conditions, we set another record for new business wins, securing £20.6m of new mandates, an increase of 19.8%.”

BUSINESS REVIEW INSTITUTIONAL CLIENT SERVICES CONTINUED



ALL PULLING IN THE SAME DIRECTION

While celebrating the strong financial performance of the Division, I am perhaps most proud of the less visible, yet no less hard won, successes that were delivered operationally in the year. We re-shaped the top-level ICS ExCo to provide greater clarity of ownership and ensure 100% coverage of our people, clients, financials, and risk across the entire ICS platform. Diversity within our senior leadership team increased substantially, with female membership of the ExCo now 30% (2022: 10%) and this is an area we will continue to proactively focus on. A dedicated internal communications programme for the Division was established and as evidenced by the results of our annual employee survey, we have been able to create a clearer sense of purpose, connectivity and focused discipline across a team of more than 1,000 people, all leading to well-defined roles, greater accountability and the unique sense of ownership that is special to JTC.

Our move to a regional structure during the year has allowed us to maintain our localised client-centric approach while ensuring global strategic alignment and the creation of the platform needed to support further growth during our Cosmos era. At the start of the year we established our US region with new regional leadership and clearer structure. Later in the year we created senior roles to lead the newly established UK & Ireland region and post period end, we established our Africa & Asia region to provide greater support and focus our teams operating in these important jurisdictions going forward. This model will continue to evolve as we grow during the Cosmos era.

We operate in a heavily regulated industry and this presents both challenges and growth opportunities. In meeting the challenges, we have been proactive in dealing with a heightened external risk environment and engaging with regulatory bodies as well as investing in people and technology to ensure that we can protect the business and service our clients with exceptional levels of risk management and integrity. We also see growing demand from clients to support them in navigating the complex regulatory landscape and Regulatory Compliance Services will form part of our future growth.

OUR PEOPLE

We are fortunate to have some of the most talented, collaborative and client-centric people in our industry who take pride in being a part of JTC and our ICS business. Last year we described our plans to focus on talent management, training and development through the JTC Academy and international mobility, facilitated through the JTC Gateway programmes. We made strong progress on all fronts, as well as improving internal communication within the Division as part of our 2023 People Plan, which was created and owned by a member of our ExCo. We have seen clear improvements in measurable results, including substantially reducing regretted employee turnover during the period to 4.7% (2022: 15.4%). We also saw highly positive feedback through the 2023 employee survey, with a response rate for ICS employees of 92%, from which 81% of respondents agree with the statement that 'there is a positive work culture at this organisation' and 84% agreeing that they 'understand JTC's plans for future growth and success'.

People remain our most important asset and will continue to invest in developing and attracting the best and most diverse talent in the industry.

LOOKING AHEAD

Having delivered such a strong performance in 2023 and helped JTC achieve its Galaxy era goals earlier than expected, 2024 will be about increasing our focus on our clients, while continuing to deliver for our people and ensuring that the platform continues to evolve in anticipation of further growth to come during our Cosmos era.

We have positive momentum going into 2024 and believe that the inherent tailwinds of a growing propensity to outsource, increasing regulation and global wealth creation remain in place. Our regional model will allow us to focus more acutely on the specific organic and inorganic opportunities that best align with client demand in our target markets.

I believe we have the right people, infrastructure and the ambition to achieve our vision and deliver further success during our Cosmos era.

BUSINESS REVIEW

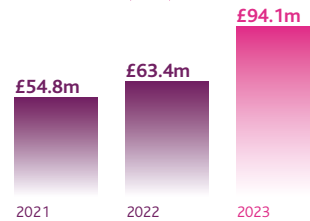
PRIVATE CLIENT SERVICES

“We have achieved record growth and healthy revenue figures – the business is in the best position it has ever been in, enjoying strong momentum as we enter our Cosmos era.”

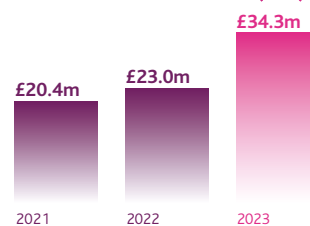
IAIN JOHNS,
GROUP HEAD OF PRIVATE CLIENT SERVICES
& GROUP MANAGING DIRECTOR



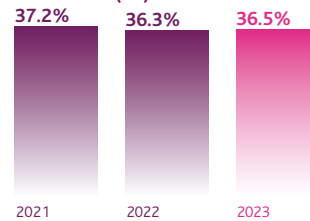
REVENUE (£M)



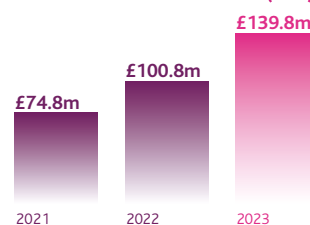
UNDERLYING EBITDA (£M)



UNDERLYING EBITDA MARGIN (%)



LIFETIME VALUE WON (£M)



HIGHLIGHTS

- Exceptional net organic revenue growth of 20.9% and record new business wins of £10.2m.
- Acquisition of South Dakota Trust Company (SDTC) in the US, establishing JTC as the leading independent provider of personal trust and administration services in the US.
- Our Cayman and Miami offices celebrated their 10th anniversaries and we opened a new office in Vienna, Austria, expanding the PCS footprint in Europe. The global reach of the PCS Division now stands at over 500 professionals who work closely as one team, serving clients from 20 offices.
- Welcomed new colleagues across the Division in all regions, attracting fantastic talent from the industry and cementing our reputation as a leader in the PCS market.

RECORD GROWTH

The Division had an outstanding year, with growth in revenues of 48.5% to £94.1m (2022: £63.4m) and EBITDA of £34.3m (2022: £23.0m), with underlying EBITDA margin increasing by 0.2pp to 36.5% (2022: 36.3%). Importantly, we achieved an outstanding 20.9% net organic revenue growth (2022: 8.7%). Record new business wins of £10.2m (2022: £7.4m) included a material contribution from SDTC following completion of the transaction in August. Given the ongoing uncertainty seen during the year in the macroeconomic environment, these exceptional financial results demonstrate the quality and the resilience of our business and how attractive our proposition is to the market. It is a performance that puts us ahead of many peers in the sector and confirms our belief that the international PCS market remains highly attractive with structural tailwinds that support sustainable growth into our new Cosmos era and well beyond.

EXPANDING OUR SERVICES AND FOOTPRINT

As well as growing our traditional service offering, with our aptitude for innovation, we are expanding our range of client solutions. During 2023, this included launching our Strategic Transformation Services, alongside our colleagues in the ICS Division. This draws on the deep skills and experience we have, to help our clients, including major global financial institutions, to achieve lighter operating models and become more competitive and efficient. Other organic growth drivers include our tax compliance and regulatory reporting services, enhanced banking services, including treasury and custody, together with our Galaxy funds offerings from Cayman. The proportion of PCS revenues generated by strategic transformation and banking services alone now stands at around 15%, which demonstrates our ability to diversify, meet the adjacent needs of our clients and generate outstanding organic growth.

The Division also made a major strategic move in the period, resulting in the acquisition of South Dakota Trust Company (SDTC), the largest acquisition by value in JTC's history, and a transaction for which we were pleased to receive significant support from the market, raising £62.0m via a placing. SDTC is a market leader in the fast-growing personal trust market in the US, which itself is the largest such market in the world. The deal complements our existing US operations, and in combination with the acquisition of New York Private Trust Company (NYPTC), based in Delaware, in 2022 has established us as the leading independent provider of personal trustee and administration services in the US. We are delighted to welcome over 100 SDTC colleagues, as well as their clients and partners, and we see significant opportunities ahead of us in this exciting growth market.

BUSINESS REVIEW PRIVATE CLIENT SERVICES CONTINUED

Our Miami and Cayman offices celebrated their tenth anniversaries, with our Cayman office having grown substantially over the Galaxy era since 2020 and our Miami office remaining an important business development hub in the US, alongside New York. In Europe, we continued to strengthen our teams in the Channel Islands with a number of high-quality new hires and also expanded our European footprint, opening a new PCS office in Vienna, Austria.

SERVICE EXCELLENCE PRINCIPLES

Providing excellent service has always been a key contributor to our success, and client attrition remained low at 5.0% in 2023. We want the JTC brand to stand as the hallmark of quality, and we understand the contribution our reputation for premium service and collaborative working makes to us in winning significant new mandates. To underscore this reputation, during the year we launched our six client service excellence principles:

- Above and Beyond Service
- Can Do Attitude
- Entrepreneurial Outlook
- Know Your Client
- Transparent Communication
- Integrity.

These principles are aligned with JTC's deep-rooted Shared Ownership culture and our desire to be recognised as best-in-class for private client services globally. The principles are being translated into structured training and development programmes for our people, as well as client case studies and ongoing internal communications to bring them to life. Post period end we also created the new role of Head of

Client Experience for the Division. This is a global role spanning the entire PCS network and was filled internally from our deep pool of senior management talent.

OUR PEOPLE

We have a huge amount of talent and expertise within PCS, and we work together across our offices and with other parts of the business to do what's best for our clients and for JTC. Collectively we achieved a great deal in 2023 and I am proud of these levels of collaboration, which make a real difference. The results from the employee survey were particularly strong with 93% participation from PCS employees, of whom 82% agreed with the statement that 'there is a positive work culture at this organisation' and 84% agreed that they 'understand JTC's plans for future growth and success'. We have excellent rates of staff retention with just 3.2% regretted turnover for Private Client Services in 2023.

In addition to M&A activity, we welcomed new colleagues across the Division in all regions, attracting fantastic talent at all levels cementing our reputation as a leader in the PCS market.

LOOKING AHEAD

Having had the privilege of leading the PCS Division for over 10 years now, it is immensely rewarding to see the business deliver such exceptional performance, while continuing to innovate, develop and at all times maintain its commitment to meeting and then exceeding the expectations of our clients. The historical foundation of PCS in the Channel Islands and Europe is as strong as ever and looking ahead, our business in the Caribbean and US has now reached another level with our expanded service offering and the addition of SDTC to our platform. We believe that the client service excellence principles we are embedding will guide the future evolution of the PCS Division and ensure we maintain our unique culture as we capture the exciting growth opportunities we see ahead of us during the Cosmos era and beyond.



"It is immensely rewarding to see the business deliver such exceptional performance, while continuing to innovate, develop and at all times maintain its commitment to meeting and then exceeding the expectations of our clients."

SUSTAINABILITY



SUSTAINABILITY

“As our business has evolved and grown from one era to the next, so too has our sustainability strategy.”

WENDY HOLLEY
CHIEF OPERATING OFFICER
AND CHIEF SUSTAINABILITY OFFICER



ENVIRONMENTAL		
<p>2.69 Tonnes of carbon per employee</p>	<p>4,623 Tonnes of carbon offset</p>	<p>25 Landlords contacted for survey project</p>
SOCIAL		
<p>4% Employee turnover rate</p>	<p>59% Of employees are female</p>	<p>334 Employees participated in management training</p>
<p>299 Employee promotions</p>	<p>£255k Donated, fundraised and contributed to charity</p>	<p>14,125 Training hours logged on JTC Academy</p>
GOVERNANCE		
<p>2030 Our net zero target</p>	<p>38% Of board members female</p>	<p>63% Of Board members are Non-Executive Directors</p>



INTRODUCTION











In 2023, our approach to sustainability evolved to meet the needs of our growing business, clients, investors and other stakeholders. We committed to net zero carbon emissions by 2030, reported publicly under the Carbon Disclosure Project, and began our first global landlord survey, all while remaining a Carbon Neutral+ organisation. We reviewed our ESG ratings with three major ratings agencies, and this has informed our priorities in sustainability-related projects, including a review of policies in the public domain, enhancements to our disclosures, and our intent to use the Science Based Targets initiative. We launched our second annual employee survey and the Employee Voice Forum. Through our Sustainability Forum, board-level oversight, and Sustainability Services practice, we retain our focus on governance, risk management, and control of sustainability risks and opportunities.

SUSTAINABILITY 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.

The purpose of our ESG Framework is to focus on the sustainability objectives that are most relevant to our business. These are our people, data and the environment.

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
	Climate risk, natural capital, carbon emissions, energy efficiency, waste management	Diversity, equity and inclusion, human rights, community relations Shared Ownership, JTC Academy, JTC Gateway, JTC Wellbeing, employee engagement	Data management and security, ethics, risk, succession, stakeholder engagement Purpose and culture, Board composition, executive compensation, audit and risk
UN SDGS*	   	   	 
STRATEGIC OBJECTIVES	<ul style="list-style-type: none"> 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 sustainability matters including the rapidly evolving regulatory landscape on the path towards net zero 	<ul style="list-style-type: none"> 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 sustainability and wellbeing of local communities where we live and work 	<ul style="list-style-type: none"> 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
SUPPORTING TARGETS & ACTIVITIES	<ul style="list-style-type: none"> Achieve net zero by 2030 Measure our carbon footprint and as we work towards net zero, remain Carbon Neutral+ by purchase of validated carbon offsets Expand expertise and capacity to deliver Sustainability Services to clients Measurably increase employee awareness of environmental strategic objectives 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
2023 STATUS	<ul style="list-style-type: none"> Reported under TCFD with expanded framework Maintained Carbon Neutral+ status Reported to Carbon Disclosure Project (CDP) publicly Signatory to the UN Principles of Responsible Investment across the Group Selected the Science Based Targets initiative (SBTi) as our chosen net zero framework 	<ul style="list-style-type: none"> Second Annual Employee Survey with 89% participation rate Continued focus and investment in training and development Launched Employee Voice Forum (EVF) Sector-leading employee retention at 96% Continued focus on employee wellbeing and flexibility through remote-working policy Employee participation in selecting carbon offset projects and supported charities 	<ul style="list-style-type: none"> Expanded membership of Sustainability Forum to include more operational functions Proactive engagement with prominent ESG ratings agencies (MSCI and Sustainalytics) with rating improvement from BB to BBB from MSCI Independent NED, Kate Beauchamp responsible for ESG oversight and Chair of Governance and Risk Committee Terms of Reference provide Board level consideration on ESG risks and opportunities

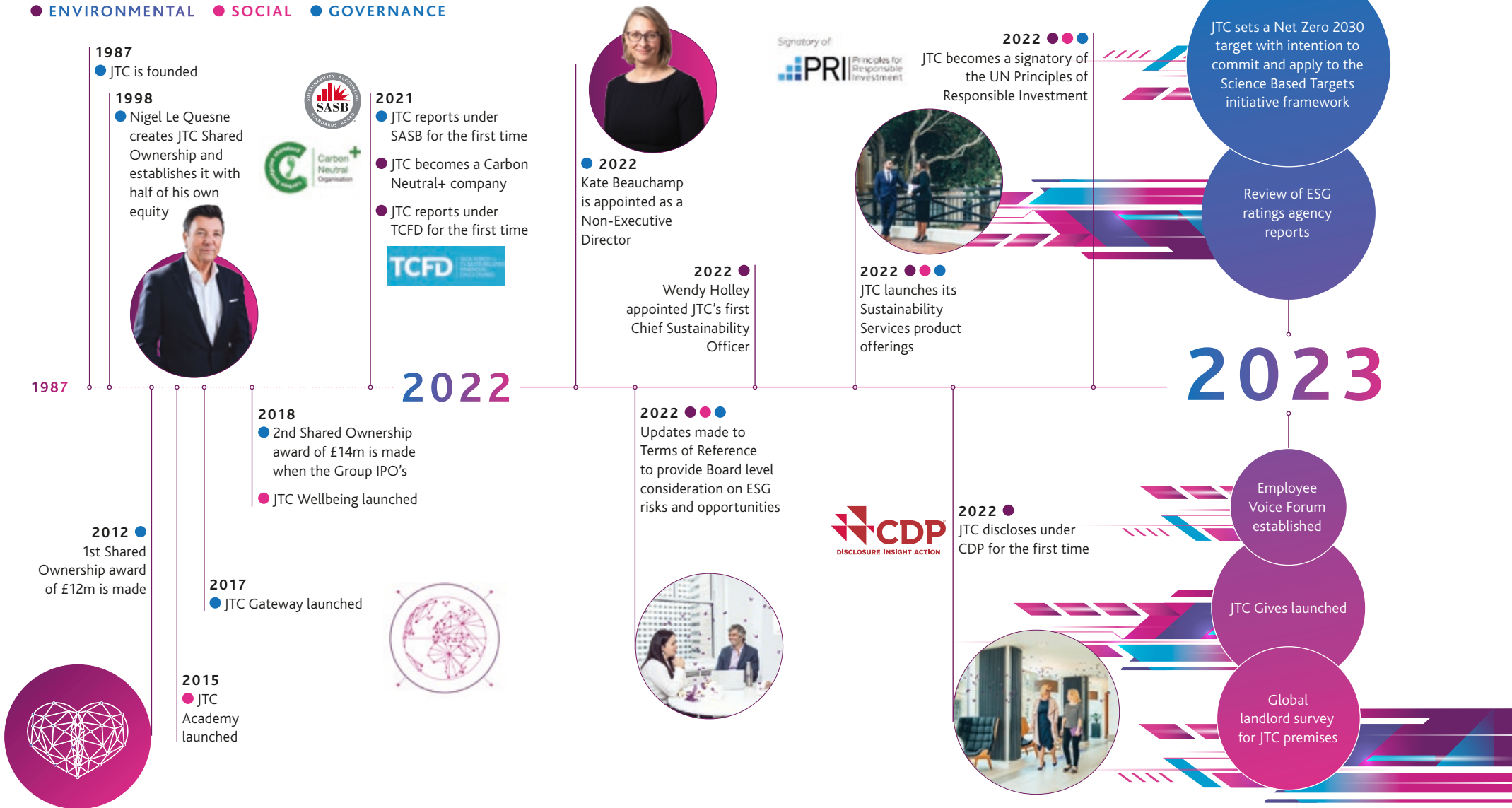
* UN Sustainable Development Goals



SUSTAINABILITY CONTINUED

OUR SUSTAINABILITY TIMELINE

● ENVIRONMENTAL ● SOCIAL ● GOVERNANCE



SUSTAINABILITY CONTINUED

GOVERNANCE PRIORITIES

PROFESSIONAL INTEGRITY

As a people-based professional services business, JTC employees must act with integrity in all that they do. JTC has a set of guiding principles and behaviours. Employees receive ongoing training and complete an Annual Employee Declaration which includes the following:

- Professional codes of conduct
- Regulatory/legal matters
- Conflicts of interest
- AML/Sanctions
- Data loss, fraud prevention and whistleblowing
- Personal Account Dealing

DATA PRIVACY AND SECURITY

As a service provider, we recognise the importance of our information assets and our responsibility to keep data private and secure to protect the interests of our clients and partners. JTC has policies, procedures, and training in place to ensure best practices are followed:

- Dedicated Information Security Team & Data Protection Office
- Use of best in class software
- Adoption of industry standard regulatory and compliance requirements and Security and Risk frameworks

Read more in our SASB disclosure on pages 53 and 54.

ENVIRONMENT AND RISK

Risks, including environmental and social risks, are catalogued and centrally managed. Employees receive training and education to ensure business line risks are managed and ensure timely escalation to management. The following practices are in place:

- Dedicated risk management with executive oversight
- Centralised risk register to catalogue key risks
- Three lines of defence-Group Risk owners, Group Risk and Compliance, Internal Audit

Read more on Climate and Supply Chain on pages 50 to 52, in our Risk Management section on pages 55 to 59 and in the report of our Governance & Risk Committee on pages 84 to 86.

PEOPLE & CULTURE

Our people are our most important asset. JTC's Shared Ownership culture means every employee is an owner, which fosters a culture of responsibility, a long-term perspective and aligns our interests with those of our clients and other stakeholders.

A number of programmes and initiatives in place specifically focus on development and retention of employees:

- JTC Academy
- JTC Gateway
- JTC Wellbeing
- Annual Employee Survey

Read more about our people and culture programmes on pages 40 to 48.

SUSTAINABILITY CONTINUED

GOVERNANCE OF ESG AND SUSTAINABILITY

ESG and sustainability matters are handled across business lines with day-to-day responsibility and oversight at various levels of the organisation. In addition JTC has chosen to participate in several external initiatives and frameworks which help us stay informed on how other firms globally are dealing with these challenges.



1

PLC BOARD

JTC's Board of Directors has oversight of sustainability matters. In 2023 we formally updated the Terms of Reference of all Board Committees to ensure that sustainability permeates our strategy throughout the Group.

2

GOVERNANCE AND RISK

The Governance and Risk Committee has responsibility for sustainability related considerations. The Sustainability Forum reports progress on the Sustainability roadmap to the Governance and Risk Committee via the Group Holdings Board.

3

GROUP HOLDINGS BOARD

The Group Holdings Board ensures that our sustainability strategy is embedded into operations within the business on a Group-wide basis.

4

SUSTAINABILITY FORUM

The Sustainability Forum has responsibility for day-to-day sustainability matters and projects. With representation across business lines, the forum is a working group and includes senior leaders responsible for key functions that support delivery of the sustainability programme.

EXTERNAL BODIES



KATE BEAUCHAMP
 NON-EXECUTIVE DIRECTOR AND
 CHAIR OF GOVERNANCE AND RISK
 COMMITTEE

SUSTAINABILITY CONTINUED

THE ANNUAL EMPLOYEE SURVEY



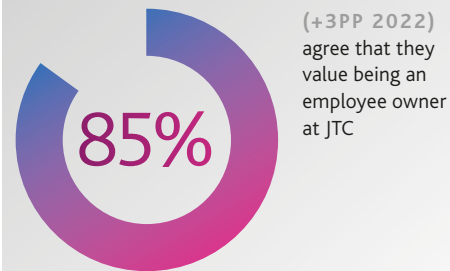
In line with our ESG framework (see page 36) and our specific focus on our people, in 2022 we launched our annual employee survey, which seeks to understand how our people feel about life at JTC – what works well, and where we can improve. The findings are discussed at all levels within the business and the Employee Voice Forum was created to coordinate follow up action and communication. In 2023 we partnered with Anova, a science-backed employee engagement survey platform that collates data to help organisations build happier, healthier workforces.

RESPONSE RATE



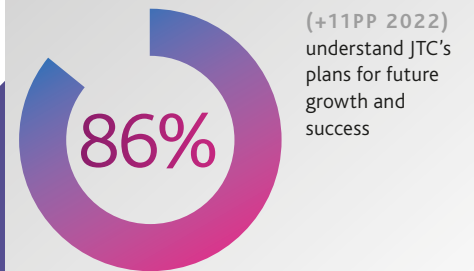
There was a significant increase in participation, which we attribute to improved communication and increased awareness and engagement.

VALUE OF SHARED OWNERSHIP



Employees reported that they value highly JTC's Shared Ownership scheme, where every employee is an owner of the business.

UNDERSTANDING OUR STRATEGY



Employees expressed a clear understanding of future plans for business growth and long-term success, including our Cosmos era plan.

89%

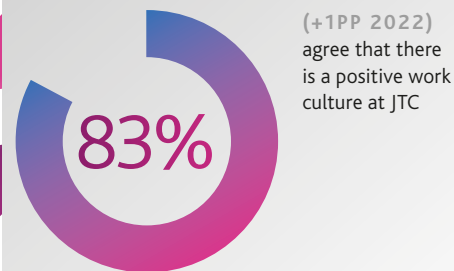
OF EMPLOYEES TOOK PART

EMPLOYEE NET PROMOTER SCORE



There was an improvement in JTC's overall employee Net Promoter Score which increased from 6 in 2022 to 16 in 2023.

POSITIVE WORK CULTURE



Employees across the Group feel that the work culture they see and experience at JTC is a positive one.

SUSTAINABILITY CONTINUED

OUR EMPLOYEE VOICE

Quotes from our 2023
Annual Employee Survey

"JTC invests in excellent training opportunities for employees"

"Shared Ownership is a unique culture and great incentive for employees"

"Hard work is rewarded"

"JTC has the clients' interest at heart and this is what makes all the difference"

"The culture of JTC is what inspires me to work here and is also why I would recommend JTC as a service provider"

MAXIMISING
POTENTIAL

SHARED
OWNERSHIP

SERVICE
EXCELLENCE

"We strive for excellence"

"The organisation has strong core values which are visible in our day-to-day activities"

"Shared Ownership is the essence of who we are as an organisation"

"People come first"

"Our company is really good at what it does"

SUSTAINABILITY CONTINUED

EMPLOYEE ENGAGEMENT



COMMUNICATIONS CHAMPIONS

Our Communications Champions are representatives of all levels from across our global office network. They meet monthly to discuss life at JTC and in particular, the effectiveness of our internal communications. In our culture of Shared Ownership, it is important that each individual voice is heard and valued. By listening to our people, we aim to ensure the forum's work aligns with our business strategy.

Led by our Chief Communications Officer, the virtual meetings aim to capture feedback about current Group initiatives and answer any questions. Each conversation is noted and communicated as appropriate, with points for action and further discussion. Topics to date include Shared Ownership, employee survey feedback, charitable giving, PLC updates, wellbeing, and the development of our intranet, Joogle. We have also used Joogle to raise the forum's profile and get more people involved.



EMPLOYEE VOICE FORUM

The Employee Voice Forum (EVF) was set up in 2022 after our inaugural annual employee survey as part of our commitment to our Shared Ownership culture. Formed from senior representatives from across the organisation – and reporting directly to our Divisional ExCos and the Group Holdings Board – the EVF serves as a conduit for employee feedback and actionable improvement as a direct outcome of the results from each survey.

Over the past year, the EVF has supported change across the Group, guided by the global themes of people, culture, recognition and communication.



SUSTAINABILITY FORUM

The Sustainability Forum is responsible for the day-to-day delivery of our sustainability framework and roadmap. Providing regular updates to both the Group Holdings Board and PLC board, the forum is Chaired by Wendy Holley, in her capacity as CSO.

In 2023, the forum's work was highlighted to the wider business, noting its growth to over ten members representing key functions, including HR, IT, Risk & Compliance, Company Secretarial, Marketing, Legal and Premises.

In developing the forum's profile, we ran a Group-wide sustainability poll for 10 days, aiming to understand what sustainability issues matter most, and where our employees wanted more information and more action. The responses were organised in alignment with our ESG framework, focusing on: people, data and environment.

- **PEOPLE:** 11% of respondents wanted to learn more about the JTC Gives programme, so we created a hub on Joogle, where employees can find out how to get involved, how to apply for a donation to their favourite causes, and how much the Group has raised.
- **DATA:** 37% of participants highlighted AI use and risks as learning priorities for 2023. In response, we set up our AI Forum, which now has over 80 members from 15 jurisdictions.
- **ENVIRONMENT:** 19% of respondents asked for more information on calculating our carbon footprint and carbon offsetting. This led to an in-depth Joogle series explaining how our measurement and offsetting works.



37%

EMPLOYEES WANT TO KNOW MORE ABOUT AI

SUSTAINABILITY CONTINUED



JTC ACADEMY

JTC ACADEMY

JTC Academy provides a structured development programme, with materials and training tailored to each person's job role, ambitions, performance and potential. With over 6,000 industry-leading learning materials available in 16 different languages, the Academy covers subjects from business skills and technical know-how to office productivity and wellbeing. Topics for technical training sessions include corporate insolvency, funds and investment of assets. We also offer a range of leadership and management programmes.

In wellbeing, the Academy helps develop our Mental Health First Aid network, which has already proved its value to employees. We are now including this as a module in Managing the JTC Way, making it a requirement for all our managers.

In 2023, our employees logged over 14,000 training hours and submitted 223 requests for external training. They also joined over 1,400 group and individual mandatory training sessions on anti-money laundering and data protection. Throughout the year, employees enrolled on 3,355 CPD-based sessions, and all new joiners continued to receive a comprehensive induction.

"Starting a new career at JTC has been a smooth and effortless process for me. The supportive culture creates an environment where asking questions, even lots of them, is warmly welcomed. I've had opportunities to shadow team members, which helped me understand both my role and the wider business better. The training and support I received while taking on this new role have made me feel positive about my future at JTC. Our office has a friendly and encouraging atmosphere, which makes each day at work a new chance to learn and grow."

SYIFAA NABIR

ASSISTANT ADMINISTRATOR – EMPLOYER SOLUTIONS, EDINBURGH

JTC EMPLOYEE REFERRAL SCHEME

Following the enhancements to our employee referral scheme in late 2022 – where employees who refer new employees to the Group can receive an increased award and allocation of shares – we made 77 hires this way (16% of the 2023 total). Our people's recommendations not only brought significant savings in recruitment-agency fees, but also ensured we had like-minded individuals joining us.

77

HIRES MADE THROUGH THE EMPLOYEE REFERRAL SCHEME



OWN YOUR FUTURE – CAREERS AT JTC

Our new and improved Careers at JTC web pages promote how we offer a career for life. The strapline, 'Own Your Future' reflects our Shared Ownership culture and celebrates the diversity of life here. We believe our first-class learning and development courses (offered through JTC Academy), an enhanced benefits package, our meritocratic approach to promotions, and our wellbeing and sustainability programmes really do set us apart.

As part of JTC Academy, specific knowledge banks offer our employees an overview of the services each part of the business can offer. As we continue to grow, these knowledge banks help our people spot new opportunities – for clients and to enhance our products and services.

JTC DESIGNED MANAGEMENT PROGRAMMES

3

In-house management programmes to support our people as leaders through various stages of their careers

STEP UP TO MANAGEMENT

61

Management training delivered to 61 delegates in 2023

MANAGING THE JTC WAY

195

Delegates in 2023. The programme was reviewed and updated in 2023 to provide a more flexible delivery structure.

LEADERS IN OUR NAME

78

Delegates to the Leaders in Our Name programme

EXTERNAL TRAINING

223

Requests for external training opportunities by employees

AML/DATA PROTECTION

1400+

Group and individual sessions undertaken by teams across the global related to Anti-Money Laundering and Data Protection

WELCOME TO JTC

30+

Hours, 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.

POLICY REQUIREMENTS

All activity is now trackable ensuring adherence to policy requirements and jurisdictional specific enhancements to our core induction programme have commenced and will continue into 2024.

SUSTAINABILITY CONTINUED

DIVERSITY EQUITY AND INCLUSION

In terms of Equity practices, JTC's Equal Opportunities and Dignity at Work Policy was reviewed against the relevant Jurisdictional Labour laws in 2023 and is still considered fit for purpose. This also applies to our Grievance policy, which was refreshed in 2023.

A wide range of initiatives were rolled out in 2023 aimed at fostering an inclusive workplace culture. These include:

- A "Learn about DE&I" presentation,
- Unconscious Bias training,
- Prevention and elimination of discrimination and harassment in the Workplace training,
- Imposter Syndrome training
- Joogle intranet articles on standing together with Pride, gender and identity and celebrating diversity. Plus videos on various religious holidays, LGBTQ+, Black History Month, International Women's Day, Autism awareness and menopause.
- A project team lead with a dedicated DE&I remit will be appointed in 2024 to further develop our DE&I strategy and deliver on roadmap proposals.
- Read more about the diversity of our workforce in our SASB disclosures on pages 53 and 54.

EQUAL OPPORTUNITIES AND DIGNITY AT WORK POLICY

JTC is an equal opportunity employer and is committed to ensuring that the terms and conditions of employment of the employee and potential employee are equitable

and non-discriminatory. This means that job applicants and employees will be treated fairly regardless of their age, sex, marital status, sexual orientation, gender reassignment, race, nationality, ethnic origin, disability, pregnancy/ maternity, religion or religious beliefs. JTC will seek to promote equal opportunities and prevent harassment and bullying by publicising and communicating this policy; by providing appropriate training and guidelines for those with designated responsibilities and by raising awareness through staff development.

Further, JTC will continually monitor its policies and practices to ensure that these principles are upheld. It is every employee's right to be treated with dignity and respect, which in turn will be conducive to performance, self-development and career advancement.

All employees, whether part-time, full-time or temporary, will be treated fairly and with respect. Selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. All employees will be helped and encouraged to develop to their full potential and the talents and resources of the workforce will be fully utilised to maximise the efficiency of the organisation.

This policy and any associated arrangements shall operate in accordance with statutory requirements. Every individual, at whatever level, has a responsibility to implement this policy.



SUSTAINABILITY CONTINUED



JTC GATEWAY

The JTC Gateway programme offers our people the opportunity to work in Group locations around the world, supporting their personal and professional growth. They learn more about themselves and each other, how the business operates and how to adapt to change in a global environment.

In 2023, Dewi Habraken, Senior Director – Business Development, relocated from our Amsterdam office to New York. This offered an exciting challenge in a broader role, covering not only the Netherlands but also our EMEA business. Reflecting on his move, Dewi acknowledged the help he received from JTC:



“I am incredibly grateful for the support I received from our HR team and all my JTC colleagues, who contributed with references and ideas to help push everything over the finish line. Together they made a significant difference and eased the process massively.”

“We’re a global firm for a reason and moving to a different region is a connection to the rest of JTC on a whole new level. It’s a valuable way to gain and bring new perspectives and ideas on the business, and overall, a great personal experience.”

DEWI HABRAKEN



SUSTAINABILITY CONTINUED



JTC WELLBEING

Supporting our employees' mental and physical wellbeing remains a key priority for us. The number of JTC Mental Health First Aiders (MHFA) has continued to grow, with over 44 trained MHFAs across 12 jurisdictions. These volunteers have trained in an accredited Level 3 Mental Health First Aid course, and the scheme has enabled 12 new volunteers to train and eight existing MHFAs to re-certify in 2023, giving more people access to support resources.

'Wellbeing Wednesdays' are a monthly feature on Joogle, addressing matters including building an impactful routine, how to unplug from the digital world, financial wellbeing and spreading positivity. We also launched a series of live and recorded wellbeing sessions, covering female health and wellbeing, and men's physical and mental health, alongside a 'Mind Strength Toolkit' talk by clinical psychologist, Dr. Jodie Lowinger. Our communications also marked key dates throughout the year, such as Brew Monday, Endometriosis Awareness Month, World Health Day, World Suicide Prevention Day and World Mental Health Day.

To promote our enhanced benefits scheme, our benefits team hosted a series of presentations on what is available in different jurisdictions. These covered areas including Shared Ownership, financial benefits, health and wellbeing, charitable giving, pensions, annual leave and our recruitment referral scheme.

Our expanded Employee Assistance Programme supports our people through everyday challenges, providing a confidential service, 24/7, 365 days a year. The expert advice available covers topics such as personal finances, parenting, and work-life balance.

PROMOTIONS ACROSS THE GLOBE

In 2023, we promoted 299 of our people within their roles, recognising individual performance, commitment to professional development and contributions to JTC's ongoing growth. Covering all levels from Administrator to Group Director, the promotions were made across 12 jurisdictional teams, including 90 in Jersey, 53 in South Africa, 30 in the UK, 31 in the US, 18 in Mauritius, 17 in Guernsey, 14 in Amsterdam, 12 in Ireland, 8 in Cayman, 16 in Luxembourg, seven in the Isle of Man, and three in Dubai.



299

PROMOTIONS MADE ACROSS THE GLOBE

WELLNESS FESTIVAL

In October, we hosted our Wellness Festival, a two week celebration of mind, body and soul, with #positivetogether as this year's theme. Employees could access articles, online workouts and masterclass sessions on nutrition, mental health, financial wellbeing, meditation and exercise. All the sessions were recorded and hosted online, so everyone could get involved.

Each location was also encouraged to host in-person wellness activities. Examples included healthy snacks and juices in Fareham and Enniscorthy, a breakfast bar in London, mindfulness sessions in Edinburgh, and yoga in Jersey.



"The 2023 promotions reflect the ongoing achievements of our employees, who have been acknowledged across our US, European, African and Asian operations. It's fantastic that this year we have been able to recognise the outstanding efforts of 299 of our employee-owners. It also emphasises the importance of our Shared Ownership culture, our vision to succeed and our commitment as a business in supporting the professional development and career aspirations of all JTC employees."

WENDY HOLLEY
CHIEF OPERATING OFFICER

SUSTAINABILITY CONTINUED

JTC ACTIVE, JTC SOCIAL

JTC ACTIVE

Our JTC Active programme gets teams involved with sporting events, promoting a healthy and active lifestyle while supporting local charities. This year, almost 50 different initiatives included football, padel tennis, aerobics, cycling, and climbing the UK's Three Peaks.

A highlight was Walk All Over Cancer, in March, raising over £2,500 for Cancer Research UK, with more than 100 individuals walking or running every day to reach 10,000 steps. In November, 28 employees walked, ran or cycled 60km as part of our Movember Men's Mental Health Campaign, raising over £800 while growing some impressive moustaches.

HR Director, Ben Phelps, accomplished an epic Three Peaks challenge in aid of the Jersey JTC Gives charity of choice, Love Beth, funding bone-cancer research. He climbed all three peaks – Snowdon, Scafell Pike and Ben Nevis in the UK – and cycled between each one, travelling over 500 miles and climbing more than 23,000 feet. This inspired Ben's Jersey colleagues to take part in their own 'Peak in a Week', walking, running or cycling at least one peak between 31 August and 7 September, with many completing all three. They raised £1,047 for Love Beth, taking Ben's total to £12,000.

£2,500

RAISED FOR CANCER RESEARCH UK WITH
100 INDIVIDUALS WALKING EVERY DAY



JTC SOCIAL

The JTC Sports and Social calendar flourished in 2023, with a record number of locations getting involved. Company-wide activities – such as Donut Day, our Virtual Music Quiz and #FestiveTogether desk decorating – inspired employees to get together and meet colleagues across our ever-expanding global team. Other events included the Jersey Studio 54 Summer Party, a cruise down the River Thames in London, South Dakota's Family Fun Day and the Mauritius team-building event.

FIFTH ANNIVERSARY CELEBRATIONS

To mark the fifth anniversary of JTC listing as a PLC on the London Stock Exchange, we sent special JTC-branded cakes to all our employees. As well as thanking our people for all their hard work, it was a great way to recognise our shared achievements.

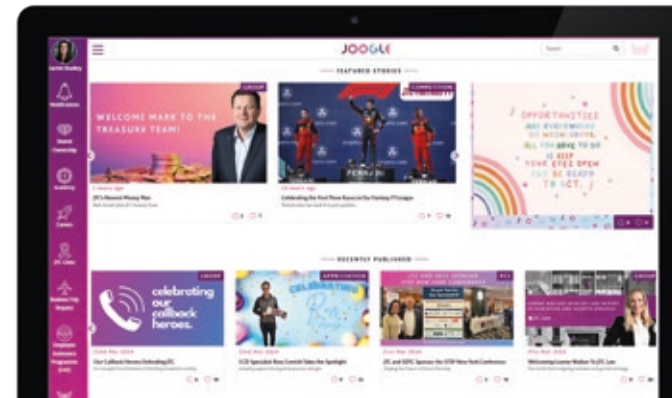
JOOGLE

JOOGLE

Dubbed 'the people's platform', Joogle is a hub for business updates, tools and systems, and for stories illustrating our Shared Ownership culture. In a survey of users, 85% said they would feel less connected to JTC if Joogle were to disappear.

In 2023, we published over 520 stories on Joogle, and its influence continues to grow, with over 10,000 reactions and 1,000 comments during the year. It is encouraging to see the platform being used not just for one-way communication, but also for employee contributions.

We have also developed the platform to target specific regions and divisions with relevant updates. This helps us avoid information overload, while still giving people access to all activities and making them feel part of a bigger, diverse collective.



REWARD AND RECOGNITION

At JTC, we recognise those who go beyond the call of duty to push a project over the line or ensure exceptional client service. This year, our Above and Beyond initiative identified 21 employees whose achievements included providing a superior client experience in Amsterdam, conquering a complex onboarding business proposal in the Isle of Man and meeting tight filing deadlines in South Africa. From Mauritius to Luxembourg, outstanding people were nominated in nine different locations.

21

EMPLOYEES WERE RECOGNISED THROUGH
OUR ABOVE AND BEYOND INITIATIVE

SUSTAINABILITY CONTINUED

CHARITABLE GIVING

In 2023, we launched JTC Gives, our employee-led Corporate Social Responsibility programme that supports the communities where we live and work. It encourages our people to get involved in fundraising and donations, through a structured framework that lets them choose charities within three remits: knowledge (encompassing youth, education and innovation); sustainability (climate, environmental protection and ecological development); wellbeing (physical and mental health, quality of life, and DE&I). We based these remits on the causes our people have previously championed.

Through JTC Gives, each of our offices receives a £3,500 grant for their chosen charity and then organises at least one fundraising event to boost this donation. To date, we have donated more than £130,000 to over 25 charities in this way. More than 70% of our offices have added to their grants through events including bake sales, cycle rides, obstacle courses, dress-down days and a second-hand restyle shop.

£255,000

DONATED TO MORE THAN

70+

INITIATIVES

Employees can also request donations when they take part in fundraising events or challenges. This year, we have considered requests from marathon runners, triathletes, bungee jumpers, sponsored walkers, bakers and more.

Through our community sponsorship programme, we support organisations and individuals in endeavours that align with our Shared Ownership principles. This year, we sponsored Channel Islands Pride, ran workshops for Jersey school pupils and sponsored the Isle of Man Breast Cancer Now quiz.

JTC Gives also supports global causes, such as the Syria and Turkey earthquake appeal, the Ukraine humanitarian crisis, International Nurses Day and the Natural History Museum Urban Nature project for World Environment Day. In total this year, we supported more than 70 initiatives through our fundraising activities and volunteering events.

PAYROLL GIVING ENHANCEMENT

We give employees in participating jurisdictions the opportunity to donate to a chosen charity through payroll giving, and we match their donations. From March 2023, we increased our contribution from 50% of donations to 100%, up to £25 a month.

2023 SEASON'S GREETING CHARITY OF CHOICE

We continued our tradition of donating to charity instead of printing and posting festive cards to clients. This year, we donated £5,000 to Save The Children, whose emergency response has been a lifeline to families fleeing violence in crisis locations around the world.



"In total this year, we supported more than 70 initiatives through our fundraising activities and volunteering events."

SUSTAINABILITY CONTINUED

SUSTAINABILITY SERVICES FOR OUR CLIENTS

WALKING THE TALK

As a leading, publicly listed, professional services business, we recognise the responsibility and opportunity to support our clients in achieving their own sustainability goals and obligations.

In 2023 we further developed our sustainability services, expanding our team of experts in the UK, Europe and the US.

Our offering is aligned with our core funds, corporate and private client service lines and seeks to capture the commercial opportunities that sustainability, impact and ESG present.

ADVISORY

The sustainability landscape continues to evolve rapidly and our clients turn to us for support in understanding both the challenges and opportunities they face. Our advisory service provides everything from ESG Health checks and Board-level training to policy reviews and bespoke strategic planning.

REGULATORY COMPLIANCE

A key consideration for many clients is compliance with mandatory regulations, particularly in Europe where sustainability legislation is considered to be most advanced.

Taking into account our existing client base, in 2023 we focused in particular on the Corporate Sustainability Reporting Directive (CSRD) for corporate clients and the Sustainable Finance Disclosure Regulation (SFDR) for funds clients.



DAVID VIEIRA
GROUP HEAD OF
SUSTAINABILITY SERVICES

OUTSOURCED REPORTING

Sustainability reporting, whether mandated or voluntary, can be difficult and time consuming.

It requires a detailed understanding of the relevant frameworks as well as appropriate methods and systems to collect and process large amounts of data. These characteristics represent a sweet spot of capabilities for JTC, mirroring our success in tax compliance reporting.

Our outsourced reporting service aligns with the long-term relationships that we develop with clients and enables them to focus on their core competencies.

As well as European clients driven by regulatory demands, our outsourced reporting service is also used by US clients in the impact funds space.

VIRTUAL CHIEF SUSTAINABILITY OFFICER

Our virtual Chief Sustainability Officer (vCSO) service gives clients access to the benefits of a professional CSO and associated team on a flexible, outsourced basis, thereby reducing overheads and creating a bespoke sustainability programme that draws on our advisory, regulatory compliance and outsourced reporting capabilities.

JTC STUDY IN PARTNERSHIP WITH THE ASSOCIATION OF INVESTMENT COMPANIES. READ MORE AT [HTTPS://WWW.JTCGROUP.COM/NEWS/ESG-INVESTMENT-TRUST-COMPANIES/](https://www.jtcgroup.com/news/esg-investment-trust-companies/)

c. 50,000

COMPANIES IMPACTED BY CSRD



SUSTAINABILITY CONTINUED

CLIMATE AND SUPPLY CHAIN

MODERN SLAVERY

We recognise that modern slavery is a crime and a violation of fundamental human rights, and we operate ethically and with integrity in all aspects of our business.

READ OUR FULL MODERN-SLAVERY STATEMENT AT WWW.JTCGROUP.COM/MODERN-ANTI-SLAVERY-AND-HUMAN-TRAFFICKINGSTATEMENT/

SUPPLIER CODE OF CONDUCT

We acknowledge that responsible businesses should consider the environmental and social credentials and practices of their suppliers. As a people-based provider of services, we do not have the same supply-chain considerations as other types of business, but we take into account the impact of our purchases – and our office space – on the environment. So, we do not currently have a formal supplier code of conduct, but in our policy review we will consider whether one is appropriate for us.

NET ZERO 2030

In 2023, we committed to becoming a net zero organisation by 2030. To achieve this, we intend to apply the Science Based Targets initiative (SBTi) framework and will sign the SBTi commitment letter in the first half of 2024.

As a people-led professional services business with 12,000 clients in more than 100 countries and 1,800 colleagues working flexibly from 34 global locations, it is vital that we blend in-person work with remote work. We previously proposed 2022 as our baseline year for carbon emissions, but in reality, the level of essential

business travel, including travel by air, which is a key contributor to our total emissions, did not reflect post-pandemic 'new normal' conditions for JTC. This was a major contributing factor to the year-on-year increase in our emissions per employee (see page 51). Taking this latest knowledge into account, we are transparently revising our baseline year to 2023 and our net zero plans and targets will be based on these figures moving forward.

FOR MORE INFORMATION, PLEASE REFER TO JTC'S FULL CARBON DISCLOSURE FILING AT WWW.CDP.NET



REPORTING TO CDP

In 2023, we made our first public submission to the Carbon Disclosure Project (CDP). By joining a growing number of organisations and jurisdictions which choose to voluntarily disclose detailed information about carbon emissions and climate-change risk management, we aim to learn and apply best practices.

GLOBAL LANDLORD SURVEY

In 2023, we contacted all our landlords to capture data on our real-estate footprint in each office. We asked about space, heating/cooling, and carbon-reducing measures already in place. We hope this will help us gain a better understanding the environmental impact of our global office footprint, and show our landlords we are concerned about these issues.

In the coming year, we will continue to gather information from landlords, supporting our carbon calculation and net-zero efforts.

JTC HOUSE

Our buildings and infrastructure will help us reach our sustainability goals. Our headquarters, JTC House in Jersey, was awarded a 70% excellence score through BREEM, the second-highest rating for commercial premises. To reduce our carbon footprint further, we have taken other steps involving more than just the building:

- **RECYCLED STATIONERY SUPPLIES** – pens, notepads, post-its and rulers are all recycled.
- **'OUR EARTH PAPER'** – by using this, we support the Durrell Wildlife Conservation Trust and its work in preserving biodiversity.
- **WATER AND ENERGY** – the building's water supply cuts off when the last person leaves; LED lights and air conditioning shut off at 8pm; heat recovered from the extracted air is used to heat the toilets.
- **SEDUS FURNITURE** – all our office furniture comes from Sedus, which channels its profits into social and ecological projects.
- **CONSUMABLES** – where possible, all our consumables are Fairtrade, and we have stopped using bottled water, installing Zip Taps instead.
- **RECYCLING** – we have designated bins for paper, cans and plastic, and we donate the cans to the Durrell 'Cans for Corridors' scheme, creating wildlife corridors in the Brazilian rainforest.
- **PAPER REDUCTION** – to reduce paper use, JTC Academy is leading the move from paper based HR forms to online application and approval processes. To date, 16 paper forms have been replaced by digital versions.

SUSTAINABILITY CONTINUED

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

JTC is reporting 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. We have considered our obligations under this Rule, also taking into account the TCFD Annex (issued October 2021), and have made disclosures consistent with the 11 TCFD Recommendations and Recommended Disclosures; noting that for Metrics and Targets, work is ongoing to establish detailed targets that will enable us to manage climate-related risks and opportunities. We have also considered the FRC's July 2023 CRR Thematic review of climate-related metrics and targets.

GOVERNANCE

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. JTC maintains Board level oversight of climate and other ESG risks by way of the following structure:

- JTC appointed Wendy Holley as the firm's Chief Sustainability Officer in addition to her Group Chief Operating Officer role.
- JTC appointed an additional Non-Executive Director, Kate Beauchamp, with specific focus/expertise in ESG, including climate risk. Kate is undertaking training and development relevant to her role as the chair of the Governance and Risk Committee and is enrolled in the Corporate Governance Institute's Diploma in ESG and Corporate Governance.
- JTC amended each Board sub-committee's Terms of Reference to incorporate relevant ESG matters, including climate risk, as part of their remit.
- The Audit & Risk Committee was split into two committees, Audit and Governance & Risk, with the latter having a specific role in the oversight of ESG strategy and policies, including those relating to climate-related risks and opportunities, supported by Directors with ESG and climate-specific expertise and the CSO.
- 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 shareholder in a solar farm.
- Climate-related objectives are factored into executive remuneration. For more information, please see page 102.

The Sustainability Forum, chaired by the CSO, has responsibility for day-to-day ESG considerations, including climate-related risks and opportunities and JTC's range of sustainability solutions for clients.

The Sustainability Forum periodically reports findings, targets, and recommendations to the Board. The strategic sessions informed not only JTC's corporate climate risk strategy but also decisions to invest in ESG Services and provided an opportunity to educate the Board further on key regulatory considerations and commercial opportunities related to climate change.

STRATEGY

Physical risks resulting from climate change (e.g. extreme weather) could impact our global offices and our clients. For short-term events (<2 years), 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 other offices if needed and permitted under the relevant regulatory licences. JTC has managed physical risks successfully in practice by using backup power generation and moving employees to our offsite disaster recovery centre when our South Africa office was impacted by rolling power outages.

Transition and regulatory risks are another area of consideration. Medium-term events (2-3 years), such as changes to regulation, carbon tariffs, and the potential for stranded assets have the potential to impact JTC and our clients. Long-term events (3+ years) 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 of these factors, as well as the social impacts of climate change are ones we consider in scope for a materiality assessment in the coming year.

As the climate change regulatory environment matures and becomes clearer, we understand the need to manage transition risk for our business and also recognise the service opportunities that exist to support our clients. Commercial opportunities related to climate change are part of our organic growth strategy (see page 16) and we are well placed to become a highly credible component of our clients' value chains. We are able to provide expertise around complex regulatory and reporting frameworks to a broad range of clients from institutions to UHNWI and families. Please see page 49 for more details on how climate change opportunities are being factored into JTC's service offering. In addition, JTC has made acquisitions (NESF, INDOS) which have brought expertise and capabilities in servicing sustainability advisory, compliance and reporting, as well as impact investing.

JTC has conducted a qualitative scenario analysis (see page 52) of our service offering and client base to determine the risks and opportunities that apply in a number of climate-related scenarios, including a +1.5C and +2C scenario. Based on our business model, diversified client base, and our assumptions that wealth preservation and collective investment will remain robust in any scenario, we believe our business will persist and, in some capacities, be enriched by the opportunity to provide additional services to our client base even in the face of climate change.

RISK MANAGEMENT

JTC has had specific conversations and garnered feedback with several key stakeholder groups: investors, clients and employees. In each of these conversations, the materiality of climate risk to our business and service offerings was discussed. We have seen a general alignment across stakeholder groups that climate risk does not pose the largest risk to JTC as a people-based, service business but we wish to further vet this assumption through a formal materiality assessment in the coming year. JTC employees are polled annually on their preferences in selecting carbon offsets and to gather thoughts on what we can do to better manage climate risk. As important stakeholders in our value chain, we value the feedback of our employees and will consider how to incorporate their preferences as we work towards our net zero target.

JTC combines its more than 35 years 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. Climate risk considerations are embedded within wider environmental and social risk considerations, which we regard as an emerging risk (see page 63) because there is an increased regulatory focus on the role financial institutions and listed companies 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 this way within our risk framework in the near term, we need to balance this risk against our other material risks.

As regulation and best practice continue to evolve, we consider it important to continue to engage with our value chain (including investors, clients and suppliers) and stay informed on emerging best practice. As such, we have strengthened our commitment to external forums and pledges by JTC PLC becoming a signatory to UN PRI and reporting climate-related data to the Carbon Disclosure Project (CDP) database in 2022 and 2023.

METRICS AND TARGETS

JTC has chosen to report performance on metrics we believe appropriate for a people-based professional services business, which we have determined to be absolute carbon emissions and carbon intensity ratios that allow us to assess our emissions relative to revenue and headcount, since we are a growing business. GHG emissions were calculated in line with the GHG Protocol methodology.

2022

Total CO ₂ emissions	1,924.93 tonnes
Scope 1	440.10 tonnes
Scope 2	500.60 tonnes
Scope 3	984.23 tonnes
tCO ₂ e per employee	1.34
tCO ₂ e per £1m revenue	9.62

2023

Total CO ₂ emissions	4,623.28 tonnes
Scope 1	663.92 tonnes
Scope 2	1,254.04 tonnes
Scope 3	2,705.32 tonnes
tCO ₂ e per employee	2.69
tCO ₂ e per £1m revenue	17.96

- Last year we stated that we intended to use 2022 as our baseline year for emissions. However, we now believe that 2022 did not represent a full return to post-pandemic 'new normal' levels of travel required for a professional services business focused on client service excellence and long-term relationships. We are therefore actively choosing to use 2023 as our baseline year and acknowledge that our emissions per employee have increased, primarily due to increased business travel, and will factor this into our net zero target setting in 2024.
- In 2023, JTC made a commitment to become a net zero carbon emissions organisation by 2030 and it is our intention to use the Science Based Targets initiative (SBTi) to help determine JTC's path to net zero.
- While we are still working on the specific actions needed to achieve net zero, we anticipate carbon offsets being an important component due to the need for essential business travel, including by air.

SUSTAINABILITY CONTINUED

“The TCFD framework encourages organisations to consider the impacts of different climate scenarios on business risks and opportunities. Through our analysis of such scenarios, we argue that our core services offer strong undeniable advantages for our clients. These support sustained demand for our services and stable financial performance in the face of potential climate-related change.”

WHAT THE TCFD IS WORKING TO ACHIEVE

In line with the FCA/FRC comment following year one of mandatory TCFD reporting, we have considered JTC’s approach and response again and our analysis from last year still stands. The TCFD is ultimately looking for the impact climate-related change could have on the financial performance of JTC over time, and what the business is doing to understand and manage this.

STRATEGIC AND PROPORTIONATE ALTERNATIVE TO DATA MODELLING

Extensive mathematical modelling of complex scenarios over extended periods is beyond our current capabilities and resources, as a business of c. 1,800 people. However, we can examine the problem by seeking to understand the fundamental practicality of what we offer, and how that, and the infrastructure we use to provide it, might be affected in different climate scenarios, including a +1.5C and +2C scenario.

REGULATION AS A LEVEL PLAYING FIELD AND CATALYST FOR JTC’S GROWTH

Regulation has always proved to be a key driver for our business, recent examples being FATCA and CRS. Regulation affects all participants equally and cannot be avoided simply by using an alternative service provider. As such, it creates additional revenue streams for JTC, and we believe climate-related regulation will have a similar effect. Our analysis of climate-related opportunities informs organisational strategy, including organic growth opportunities in the development of new services lines, as detailed on pages 16 and 49.

THE IMPORTANCE OF DIVERSIFICATION

The TCFD examines climate-related financial disclosures—so how do we connect the above analysis with financial performance? We have examined the risk of any imbalance that could find us at the mercy of the potential effects of climate change, as follows:

- We have clients in over 100 countries.
- We administer over 25 different entity types under 25 different regulatory regimes.
- We administer or oversee more than 20 asset types.
- We have no obvious industry or sector concentration in our client base.
- Our top 15 clients by revenue account for only 9.5% of turnover (2022: 10.7%).

We currently operate 34 offices and are licensed by 25 different regulatory bodies. While each office confers a specific set of benefits to JTC and its client base—based on legal, regulatory and tax frameworks, or time zone, for example—the vast majority of locations in the JTC network have at least one, if not several, ‘equivalent’ locations in other parts of the world. In addition, our employees are typically internationally mobile from an employment perspective.

In reality, this means that to continue to be able to provide our services, we are naturally hedged and flexible to relocation. If the British Virgin Islands, for example, became an impractical and dangerous location, we could use other locations that would not be subject to the same conditions, such as the Channel Islands.

CONCLUSION

Taken together, the convenience of our core services, the long-term neutral approach taken by clients, a lack of concentration in the client base, the flexibility of the JTC network and the impact of increasing regulation all mean that the financial risk to JTC of climate-related change across a number of temperature increase scenarios is, we believe, neutral at worst and quite possibly favourable over the long term. Our focus will continue to be on understanding climate risks as they evolve and capturing opportunities, for example in the form of the growing range of Sustainability Services, as detailed on page 49.

This conclusion has no bearing whatsoever on our desire to be part of the fight against climate-related change. We work to impose and comply with the many regulations seeking to help achieve the goals of the Paris Agreement and secure a sustainable future for the world.

Scenario analysis is interlinked with underlying risk assessment procedures, which include work to assess if there are material climate-related risks and opportunities for the Group. Informed conversations with key stakeholders, including clients, investors and employees help to inform management decisions regarding materiality.

THE IMPORTANCE OF OUR EFFECTIVENESS FOR CLIENTS

JTC has operated for 36 years, serving clients in three areas: Fund Services, Corporate Services and Private Client Services.

In the anticipated or modelled potential climate-change scenarios, +1.5C and +2C, the functionality of, and demand for, our services will not fundamentally change, nor be materially eroded. In fact, they may expand in line with other trends in population growth and wealth creation. Other questions remain, however, over the underlying

activity within those services, how and where JTC conducts the work, and the matter of regulation. Client behaviour tends to be neutral and unchanging for these three areas.

FUND SERVICES**FACILITATING COLLECTIVE INVESTMENT**

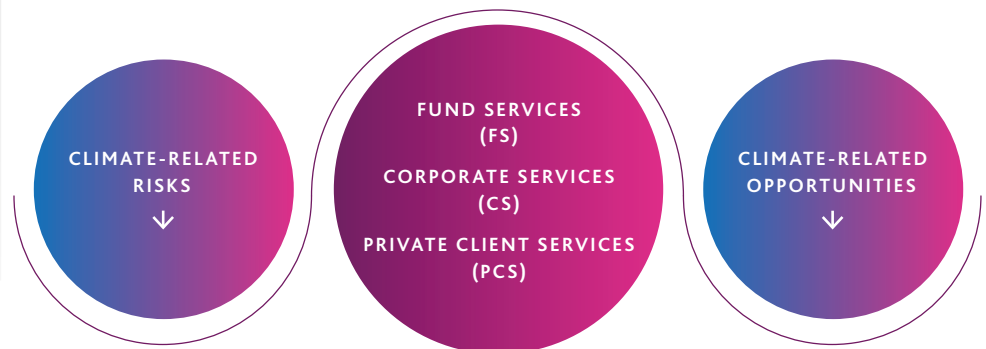
People will still want collective investment opportunities. For example, a fund will seek to attract capital, generate a return and comply with regulations. A fund manager who, in the past, invested in petrochemicals might today invest in renewable-energy technology.

CORPORATE SERVICES**FACILITATING CROSS-BORDER TRADE AND CAPITAL MOVEMENT**

Companies will still trade internationally. In the corporate world, JTC’s role is not to determine whether a company’s strategy is viable or successful, it is to facilitate commercial (including cross-border) activity that is legal and compliant. If a client does not have a sustainable business model, or adapt to market forces and regulation, it will not be successful and will not grow to the point where it requires our services.

PRIVATE CLIENT SERVICES**PRESERVING PERSONAL AND FAMILY WEALTH**

Wealthy individuals and families will still wish to preserve their wealth. Individual and family wealth has two main components—how it was generated, and how it is put to use. Market opportunities and the constraints of regulation will govern what private clients choose to focus on. Our role is simply to support the preservation, distribution or succession of that wealth.



SUSTAINABILITY CONTINUED



We have chosen to provide disclosures in line with the Professional & Commercial Services Standard issued by the Sustainability Accounting Standards Board (SASB). SASB was founded in 2011 as a not-for-profit, independent standards setting organisation to establish and maintain industry specific standards to assist in disclosing financially material, decision-useful sustainability information to investors. 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 of the Group to create value over the long term.

DISCLOSURE UNDER SUSTAINABILITY ACCOUNTING STANDARDS BOARD STANDARDS

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	<p>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.</p> <p>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 and Technology (NIST) Cyber Security Framework and aligned our policies, standards and procedures to the 'International Organisation for 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. We are subject to various annual regulatory reviews and audits, including a NIST Assessment and an International Standard on Assurance Engagements (ISAE 3402). IT general controls testing and assurance audit. Additionally, employees undertake Data Protection training and have access to the Data Protection Policy via the intranet.</p> <p>We have a dedicated Information Security team. Our Group Information Security Officer leads the team and is responsible for defining and delivering 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 Manager (CISM), Certified in Risk and Information Systems Control (CRISC), Certified Information Systems Auditor (CISA), Certified Data Privacy Solutions Engineer (CDPSE), ISO 27001 certified ISMS Lead Auditor (CIS LA) and ISO 27001 Certified ISMS Lead Implementer (CIS LI).</p> <p>JTC will always implement the necessary controls to protect all information assets from unauthorised access, assure the confidentiality of information and maintain its integrity.</p>
Description of policies and practices relating to collection, usage and retention of customer information Code: SV-PS-230a.2	Discussion & analysis		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.
Number of data breaches Code: SV-PS-230a.3	Quantitative	Number, percentage (%)	No personal data breaches requiring formal notification to a Supervisory Authority 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 (%)	<p>Executive management (Group Holdings Board and Group Directors) – 76% male and 24% female</p> <p>All other employees – 41% male and 59% female</p> <p>US employees – senior management 70% White, 13% Hispanic, 6% Asian, 7% not disclosed, 4% Black</p> <p>All US employees – 8.7% Asian, 7.7% Black, 12.6% Hispanic, 0.5% Native Hawaiian or Pacific Islander, 4.9% two or more races, 9.3% not disclosed, 56.3% White</p>
Voluntary and involuntary turnover rate for employees. Code: SV-PS-330a.2	Quantitative	Number, percentage (%)	4% voluntary, 2% involuntary
Employee engagement Code: SV-PS-330a.3	Quantitative	Number, percentage (%)	89% participation.

SUSTAINABILITY CONTINUED



DISCLOSURE UNDER SASB STANDARDS 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	<p>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.</p> <p>The Guiding Principles include the Group's commitment to:</p> <ul style="list-style-type: none"> • 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. <p>The Principles are underpinned by formal Group Policies, which set expected standards in a number of areas linked to professional integrity including:</p> <ul style="list-style-type: none"> • Conduct Risk • Anti-Money Laundering • Countering of Terrorist Financing • Anti-Bribery and Corruption • Sanctions Compliance • Insider Trading • Conflicts of Interest and • Whistleblowing, which provides whistleblowers protection from retaliation. <p>All policies are made available to employees via the Group's intranet. Adherence to these standards is periodically tested through the Group's 'Three Lines of Defence' model of assurance (read more on pages 56 and 58) and further supported by an employee compliance declaration exercise undertaken each year.</p> <p>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. In addition, employees take part in mandatory Anti-Money Laundering training.</p> <p>Over and above the internal organisational processes, the Group is currently regulated in 17 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 licences 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.</p>
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 – 1603 Part-time – 64 Temporary – 35 Contract – 13
Employee hours worked, percentage billable Code: SV-PS-000.B	Quantitative	Number	For our fee earning employees, hours worked as % of contracted hours was 103% % of billable hours by chargeable staff: 80%

RISK MANAGEMENT

COLLECTIVELY EMBRACING RISK FOR SUSTAINABLE GROWTH



RESILIENCY IN GROWTH

At JTC, our commitment to sustainability is embedded in everything we do including our approach to growth, resilience and risk. We understand that long-term, sustainable success depends on measured, responsible growth; balancing progress with careful risk management.

Our sustainable growth model prioritises long-term stability over short-term gains. Every expansion step we undertake is thoroughly evaluated for potential risks and opportunities. Our strategies aim to address a range of categorised risks and to cultivate adaptability and resilience in an ever-changing global landscape, while also fulfilling our ESG commitments.

This approach is supported by JTC's Shared Ownership culture, which encourages collective responsibility and risk ownership, with support from in-house specialists who offer expertise, insights, and assurance. This collaborative mindset is key to our steady, predictable growth trajectory, enhancing our understanding and management of risks.

As a regulated international professional services firm, we are acutely aware of the expectations of our clients, regulators, and other stakeholders to deliver value safely, compliantly, and responsibly within our risk appetite. Recognising the pivotal role of sustainable growth in our operations, there remains an emphasis across the Group on the importance of robust risk management and stringent compliance standards.

RISK MANAGEMENT CONTINUED

Our strategy encompasses a deep understanding of both the risks inherent to our Group and those faced by our clients. This dual focus enables us to effectively manage our risks and bolster the outsourced services we provide. This ensures our growth aligns with the highest professional service standards.

During 2023, the external environment provided a number of areas for the Group to consider in terms of opportunities and threats. These included the consequences of a global economic slowdown, ongoing geopolitical instability and the regulatory measures arising from such events (e.g. international sanctions), continued regulatory changes amidst evolving international regulatory standards, potentially disruptive technological developments such as the rapid advancement in AI large language models and operational resiliency effectiveness in the face of the persistent threat from cyber criminals.

In assessing areas such as these the Group will typically adopt tactical and strategic measures to take advantage of any opportunities and to mitigate the assessed risks. For example, with regard to AI tools, the Group introduced measures during the year that aimed to take advantage of AI chat tools without compromising on accuracy of output or privacy and confidentiality obligations.

RISK MANAGEMENT FRAMEWORK

Throughout the year, we continued to ensure that our risk management framework kept pace with the Group's growth and the demands of our stakeholders. Two important ingredients on this journey are our people and our systems and during the year we have invested in both. Designated 'Risk Owners' across the Group are advised and supported by an established in-house team of risk, regulatory and assurance experts to ensure that risks are appropriately managed and controls are operating effectively. Technology systems play an increasingly important role in the identification, measurement and management of our risks. Importantly these systems assist in the collection, assessment and reporting of the risk

environment to risk and control owners across the Group and will be a key feature in the continuing maturity of the Group's risk framework during the Cosmos era.

During the Cosmos era, we expect to further industrialise our risk management systems and processes to ensure the Group remains equipped to continue on its path of sustainable growth.

The Group is committed to a robust risk awareness culture, established from the top levels of the organisation, with clear assignment of risk ownership. Our approach to risk management is uniform and aligns with the Board's defined risk appetite, ensuring adherence to all relevant laws and regulations. Our risk framework is instrumental in safeguarding value, aiding in identifying opportunities, and reducing threats to our strategic and operational goals.

A dedicated Risk and Compliance team operates across the Group to:

- Identify risks and aid in their management.
- Monitor and report on the effectiveness of risk control measures.
- Assist in resolving risk and regulatory issues.
- Provide guidance on regulatory matters and control mechanisms.
- Manage relationships with regulatory authorities.

Our comprehensive risk management framework is tailored to JTC's changing structure, risk profile, complexity, activities, and size.

We utilise a standard three-tier model in the industry, with the following key elements:

The PLC Board and senior management are responsible for setting organisational goals, devising strategies to achieve them, and establishing governance, risk management, and control frameworks to manage risks and achieve these objectives.

The first line consists of employees who manage daily risks in their respective areas, guided by Group policies, procedures, and control frameworks. Local management, and ultimately the PLC Board, ensure risks are effectively managed, monitored, escalated, and addressed.

The second line is the Risk and Compliance function, supporting and monitoring the activities of the first line. Group companies employ key regulatory and compliance staff, such as Compliance Officers, Money Laundering Reporting Officers, and Money Laundering Compliance Officers, in line with local regulatory demands.

The third line is Internal Audit, tasked with independently assuring the effectiveness of governance, risk management, and controls concerning current, systemic, and emerging risks. This includes testing key controls through external audit programs and regular external visits and regulatory inspections across the Group's regulated entities.

Our in-house legal function, though not formally part of the three lines, provides essential support to all areas of the Group.

As referenced earlier, the Group has made a technology investment in an advanced application to provide a comprehensive, integrated approach to its management of risk by helping business and functional units across the Group identify, manage, analyse and reduce potential risks in an efficient and cost-effective way.

RISK APPETITE

The Governance and Risk Committee of the Board aims to align risk-taking with the Group's legal obligations, strategic objectives, and business planning. Our Group Risk Appetite Statement is crafted to achieve a proportionate balance between embracing risks and the commercial and reputational impacts associated with such actions, ensuring favourable customer outcomes and protecting the Group from undue risk exposure.

This statement encompasses qualitative assessments of various risk categories, shaping our strategy, objectives, policies, procedures, and other measures to keep us aligned with the Board-sanctioned risk appetite.

The Board acknowledges the necessity of taking calculated risks to accomplish its strategic goals and to provide value to its customers and stakeholders. Our goal is to maintain a controlled, actively managed risk level that aligns with a sustainable and balanced return. The risk thresholds set by the Board represent overarching Group objectives, allowing for diverse risk levels within specified limits in a balanced business portfolio, provided the overall portfolio remains consistent with the Board's overall risk appetite. Supplementary risk appetite statements may be maintained within the Group to meet regulatory requirements or to address particular risk types in a more granular manner.

During the year, we continued to apply our global risk appetite and risk tolerances in alignment with our strategy, global policies and standard. In line with its approach for continuing stability the Group Risk Appetite Statement has remained consistent during 2023.

The Group has a low overall appetite for risk and does not expect to incur high levels of risk, and actively seeks to avoid or mitigate such risks by utilising appropriate resources, processes and technology frameworks.

As a general principle, the Board has a low tolerance for, and will therefore seek to control all risks which have the potential to:

- cause non-compliance with law and regulation;
- compromise the Group's ability to operate effectively;
- adversely impact the Group's reputation;
- have severe financial consequences which may impact on the Group's future viability; or
- expose stakeholders to harm or loss.

RISK MANAGEMENT CONTINUED

LEVEL 1 RISK CATEGORY & RISK APPETITE	DESCRIPTION
STRATEGY DELIVERY Open	<p>The Board has an appetite that is open to innovation and that aims to remain competitive to avoid failing to attract new business and/or grow existing business. It is willing to seek inorganic growth and exposure to new markets and sectors to allow the Group to achieve its strategic objectives.</p> <p>The Board will aim to protect the Group franchise from material damage to its reputation from strategic delivery by ensuring that business activity is satisfactorily assessed and managed by the appropriate level of management and governance oversight. There is tolerance to take decisions with potential to expose the Group to higher inherent risk and additional scrutiny but only where appropriate steps have been taken to minimise any exposure and appropriate consideration is given to the risk/reward ratio.</p> <p>Risk appetite is tempered, where appropriate, to the Board's approach to sustainability and the Group's determination to be a carbon neutral organisation.</p>
OPERATIONAL Minimal	<p>The Board has no tolerance for the poor delivery of client service, taking on the wrong type of clients, failed business continuity or loss of client data and therefore has minimal appetite for such situations. It seeks to control operational risks to ensure that operational risks (financial and reputational) do not cause material damage to the Group's franchise.</p> <p>The Board seeks to avoid risk and uncertainty for its critical information assets and systems and has a minimal risk appetite for material incidents affecting these or the wider operations and reputation of the Group.</p> <p>The Board has tolerance for minor operational delays to individual projects/milestones but not at the expense of a major work area or deliverable.</p>
LEGAL Cautious	<p>The Board has a cautious appetite for engagement in litigation and contractual disputes. It recognises that the nature of fiduciary services carries specific legal obligations which make exposure to involvement in legal disputes unavoidable.</p>
FINANCIAL Minimal	<p>The Board has no tolerance and minimal appetite in failing to meet its financial forecasts, exposing earnings to currency fluctuations, incurring impairment losses, exposure to fraud or not meeting loan covenant obligations.</p>
POLITICAL/REGULATORY Minimal	<p>The Board has no tolerance and minimal appetite for non-compliance with regulatory requirements including applicable listing rules, financial services legislation and regulation and, in particular, non-compliance with anti-money laundering and counter-terrorism legislation. It recognises that failures in compliance cannot be entirely avoided. However the Group strives to reduce these to an absolute minimum. Exceptionally, the Board has tolerance to provide regulatory challenge in cases of ambiguity or where a clear difference of opinion as to compliance arises.</p>
HUMAN RESOURCES Minimal	<p>The Board has a minimal appetite for decisions that could have a negative impact on workforce development, recruitment and retention. The Board also has a minimal appetite for risks of misconduct by employees. It has tolerance for a more cautious approach to risk when poor performance is identified to ensure improved performance and/or alignment of talent to work opportunities.</p>

RISK APPETITE LEVEL DEFINITIONS

Minimal: Preference for ultra-safe business outcomes or options that have a low degree of inherent risk and only for limited reward potential.

Cautious: Preference for safe outcomes or options that have a low degree of inherent risk and may only have limited potential for reward.

Open: Willing to consider all potential outcomes and options and choose one that is most likely to result in a successful outcome whilst providing an acceptable level of reward (or value for money)

Seek: Eager to be innovative and to choose outcomes and options offering potentially higher business rewards despite greater inherent risk

Mature: Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust

RISK MANAGEMENT CONTINUED

**RISK OVERSIGHT**

The Group Risk Committee is a well-established forum in our governance structure. It comprises the Group Chief Executive, Divisional Group Heads, Chief Risk Officer, Chief General Counsel and Group Director – Risk & Compliance. This Committee is entrusted with the critical role of identifying and managing a spectrum of risks that the Group might encounter. These risks span across various areas, including strategic, operational, regulatory, legal, human resources, technology (with a special emphasis on data security), client, fiduciary, and performance risks.

The Committee meets monthly and is dedicated to the rigorous oversight of the Group's internal risk framework. It assesses the effectiveness of our systems and controls in identifying and managing risks, ensuring regulatory compliance. This involves monitoring emerging trends and scrutinising issues that could pose substantial risks at the Group level. The Committee also proactively evaluates significant or imminent shifts in the risk and regulatory landscape, identifying potential mitigating strategies.

In its advisory capacity, as outlined in its Terms of Reference, the Committee plays a vital role in guiding the Group on the implications of its overarching business strategy, organisational culture, and risk appetite in relation to risk management and regulatory compliance. This guidance takes into account both macroeconomic conditions and operational realities.

Supporting the Committee, the Group Risk & Compliance function provides critical assurance through its regular reports on the independent compliance monitoring programs across various jurisdictions.

Complementing these efforts, the Internal Audit function serves as an independent assurer of the efficacy of the Group's risk management, governance, and internal control processes. During 2023, this function has further evolved its capabilities and during the Cosmos era we expect this function to engage further with third party internal audit partners to support the Group's assurance arrangements and integrate with new system capabilities.

KEY CONTROLS

The Group maintains controls and undertakes measures to ensure we monitor and manage all elements of our business activities and make sure there is continued awareness of key controls and requirements. These include:

- high level of jurisdictional Director control over processes
- a dedicated Group monitoring function
- defined authority mandates and Terms of Reference
- segregation of duties for transaction processing
- sophisticated cyber security practices including protective systems, training and periodic testing
- a robust IT infrastructure and tested business continuity plans
- a rigorous human resource screening and on-boarding process
- experienced and professionally qualified employees
- induction and on-going training awareness for all employees
- annual confirmation declarations from all employees with all core Group policies and procedures

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.

This process is supported by a formalised Group Risk Escalation process that ensures the timely identification and consideration of risk events aimed at supporting intervention and risk mitigation. The majority of escalated risks continue to originate from first-line business units indicating a healthy cultural approach to risk ownership and resolution.

The Group also holds appropriate insurances in excess of regulatory requirements to further support its control environment.

During 2023, the Group was able to continue to operate and manage its risks without any material recalibration of risk appetite or control measures. There were also no regulatory interventions that materially impacted the Group.

During the Cosmos era, we expect that system advances will support and enhance the ongoing assessment of control effectiveness across the Group.

RISK MANAGEMENT CONTINUED

LEVEL 1 Primary, overarching risk elements, containing SIX components	LEVEL 2 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) and interest rates	
	Impairment	
3. OPERATIONAL	Financing	
	Client & process	●
	Business continuity	
4. POLITICAL/REGULATORY	Data security	●
	Listing rules	
	Political / regulation	●
5. LEGAL	Financial crime	●
	Litigation / contractual	
6. HUMAN RESOURCES	Fiduciary	●
	Adequate resources	●
	Retention	
	Key person	

STRATEGIC RISK	OPERATIONAL RISK	LEGAL RISK
1 ACQUISITION	5 CLIENT & PROCESS	9 FIDUCIARY
2 COMPETITOR & CLIENT DEMAND	6 DATA SECURITY	
3 STRATEGY		
FINANCIAL	POLITICAL & REGULATORY RISK	HUMAN RESOURCES RISK
4 PERFORMANCE OF BUSINESS	7 POLITICAL REGULATION	10 ADEQUATE RESOURCES
	8 FINANCIAL CRIME	

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 the global macroeconomic environment, ESG changes, ongoing regulatory developments, advances in the digital space and increasing financial crime threats.

The Group's principal risks are periodically re-examined and reported by the Chief Risk Officer to the Governance 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.

PRINCIPAL RISKS

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	<p>ACQUISITION RISK (GROUP CHIEF EXECUTIVE OFFICER)</p> <p>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.</p>	<ul style="list-style-type: none"> Inadequate due diligence Economic misjudgement Lack of strategic clarity Ineffective or delayed integration Unpredicted changes to external environment 	<ul style="list-style-type: none"> 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) 	<p>This risk will diminish over time as each acquisition is integrated, but current strategic intentions are likely to cause this risk category to remain as a principal risk.</p>
2	<p>COMPETITOR AND CLIENT DEMAND RISK (GROUP CHIEF EXECUTIVE OFFICER)</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> 'Black swan' events (e.g. pandemic) Competitor actions Political trends Economic conditions Market conditions Regulatory changes Technological changes 	<ul style="list-style-type: none"> 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 Group Commercial Office to assess, prioritise, de-risk and commercialise opportunities 	<p>This risk is largely influenced by external factors and is therefore likely to remain a continuous principal risk</p>
3	<p>STRATEGY RISK (GROUP CHIEF EXECUTIVE OFFICER)</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<p>Strategic risk is an ongoing risk for any business and therefore is likely to remain as a continuous principal risk.</p>
4	<p>PERFORMANCE OF BUSINESS RISK (GROUP CHIEF EXECUTIVE OFFICER)</p> <p>The risk that the Group does not meet its financial forecasts or does not achieve the provided market guidance.</p> <p>JTC is listed on the London Stock Exchange and subject to market consensus expectations that can influence shareholder value.</p>	<ul style="list-style-type: none"> Inadequate budgeting and forecasting Unpredicted costs or losses Lack of information provided to brokers and analysts 	<ul style="list-style-type: none"> 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 	<p>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.</p>

PRINCIPAL RISKS CONTINUED

	PRINCIPAL RISK (RISK OWNER)	POTENTIAL CAUSES	KEY MITIGATION MEASURES	TIMESCALE
5	<p>CLIENT AND PROCESS RISK (GROUP DIVISIONAL HEADS)</p> <p>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.</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Strict adherence to policy and procedures including business acceptance and periodic reviews, with appropriate escalation for higher-risk clients / regular client engagement and understanding of clients' business activities 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 subject to annual employee attestations. 	Client and process risk remains a continuous principal risk for the business.
6	<p>DATA SECURITY RISK (GROUP CHIEF INFORMATION OFFICER)</p> <p>The risk of a security breach including cyber-attacks by from both internal and external sources, leading to loss of funds, confidentiality and integrity of data.</p> <p>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.</p>	<ul style="list-style-type: none"> 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 Failure to follow procedures 	<ul style="list-style-type: none"> 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 Periodic penetration testing and testing of business continuity plans 	Data security risk remains a continuous principal risk for the business.
7	<p>POLITICAL/REGULATION RISK (GROUP CHIEF EXECUTIVE OFFICER)</p> <p>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.</p> <p>Risk of exposure to regulatory sanction and subsequent reputational damage given a failure to follow regulatory laws, orders and codes of practice requirements.</p> <p>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.</p>	<ul style="list-style-type: none"> Geopolitical uncertainty and change of governments 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 	<ul style="list-style-type: none"> 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.

PRINCIPAL RISKS CONTINUED

	PRINCIPAL RISK (RISK OWNER)	POTENTIAL CAUSES	KEY MITIGATION MEASURES	TIMESCALE
8	<p>FINANCIAL CRIME RISK (GROUP DIVISIONAL HEADS)</p> <p>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.</p> <p>(NOTE: Financial Crime Risk includes money laundering, terrorist and proliferation financing, sanctions, fraud, bribery and corruption and tax evasion risks).</p> <p>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.</p>	<ul style="list-style-type: none"> • Poor culture • Inadequate awareness training • Poor Know Your Client processes • Inadequate record keeping • Deficient screening processes • Lack of a risk-based approach • AML/CFT/CPF arrangements not tailored to business profile/ characteristics • Procedural failures • Failure to report suspicious activity on a timely basis 	<ul style="list-style-type: none"> • Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for AML/CFT/CPF 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 • Authentication protocols to verify the identity of instructing third parties 	<p>Financial crime risk is expected to remain a continuous principal risk for the business.</p>
9	<p>FIDUCIARY RISK (GROUP DIVISIONAL HEADS)</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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 or manage conflicts • Making partial judgements 	<ul style="list-style-type: none"> • 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 	<p>Fiduciary risk is an endemic feature of JTC business operations and is expected to remain a continuous principal risk.</p>
10	<p>ADEQUATE RESOURCES RISK (GROUP CHIEF OPERATING OFFICER)</p> <p>The risk of failure to attract or retain the best people with the right capabilities across all levels and jurisdictions.</p> <p>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.</p> <p>Regretted attrition is carefully monitored in view of changes in employee attitudes, skills shortages and inflationary pressures that have the potential to be disruptive to the Group's workforce.</p> <p>JTC continues to focus on employee satisfaction (launching an annual employee survey in 2022, which was repeated and further developed in 2023), succession planning and personal development, including supporting professional qualifications.</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<p>Adequate resourcing risk is expected to be a continuous principal risk.</p>

PRINCIPAL RISKS CONTINUED

EMERGING TOPICS AND RISKS

As standard procedure, we consider topics or risks on an ongoing basis that may have unpredictable and uncontrollable outcomes directly or indirectly (via our clients) on the Group that we do not yet consider to be principal risks, but may, over time, pose a threat to our business model. Some of these topics or risks may be interconnected and remain under review over a sustained multi-year period whereas others may be short-lived.

EXTERNAL FRAUD

Financial Crime is already recognised as a principal risk by the Group and measures are in place to manage this critical risk. However, advances in technology and criminal sophistication do present continued increased risk of financial crime.

Industry statistics and surveys issued during 2023 recorded increased instances of fraud where criminals seek to capture control of communication systems in order to fraudulently gain access to an individuals' or entities' assets or otherwise deceive them into a transaction in the belief they are dealing with a genuine counterparty.

We mitigate against these risks with measures designed to protect our systems and advise our clients on fraud awareness measures however we recognise the increased activity in this area and will continue to consider measures for enhanced risk mitigation for the Group and our clients.

DATA AND DIGITAL

The proliferation of technological innovation such as AI large language models, quantum computing and digital currencies are altering the risk profile of the financial sector and the convergence of these measures pose an increased risk of unintended consequences.

Regulatory requirements and client expectations relating to data management and quality, including data protection and privacy, data sovereignty, the use of Artificial Intelligence (AI) and the ethical use of data are

increasing in order to keep pace with innovation. In some cases, regulation is also becoming more fragmented and complex, requiring more resources to ensure ongoing compliance.

Data protection risks are already recognised as a principal risk but remain on the increase driven by highly organised and sophisticated threat actors, with developments such as ransomware as a service.

During 2023, advances in AI large language models and their general availability began to emerge as a disruptive force offering opportunities to enhance customer service delivery but also presenting increased threats to data security. Additionally quantum computing has not yet reached the stage of widespread practical use, the processing speed of such systems create new risks in terms of encryption security and the need for quantum-safe cryptography.

We seek to mitigate these risks by closely monitoring developments in this area and adapting our systems and practices in line with progress. We ensure our data protection standards are aligned to international standards and stakeholder expectations including specialist data protection systems and personnel, business continuity and incident response plans.

REGULATORY DEVELOPMENTS

Regulatory scrutiny and intervention remains a continuing feature in many of the markets where we operate. With many regulatory regimes subject to assessment by international standard setters, there remains a constant introduction of new regulations and regulatory powers that are considered necessary to meet the assessment standards causing an inevitable increase in the cost of compliance. Failure of a jurisdiction to achieve an acceptable assessment rating can be detrimental to businesses operating in those jurisdictions.

2023 witnessed a number of instances where the actions of regulators were subject to formal challenges that there had been a disproportionate reaction to regulatory

breaches, with claims that the over-reaction was driven by pressure on a jurisdiction to demonstrate the effectiveness of the regulatory regime to international assessors.

The Group seeks to mitigate these risks by positively engaging with its regulators, undertaking proactive horizon scanning, actively engaging, where appropriate, with regulatory consultations, providing thought leadership to regulators/legislators and operating to the highest regulatory standards.

GLOBAL MACROECONOMIC

Global macroeconomic developments and geopolitical tensions heightened by the ongoing conflict in Ukraine and Gaza, persistently high inflation and cost of capital, the energy crisis, supply chain shortages and the impact of a global economic downturn all point to a greater fragility that is slowing investment and global growth. Whilst the Group is unable to control these risks we remain vigilant to their impact and react accordingly e.g. to attract and retain talent in a competitive employment market beset by wage inflation.

ENVIRONMENT AND SOCIAL

There remains an increase in stakeholder expectations around the provision of services to sensitive sectors, fair and balanced disclosures relating to environmental targets and scrutiny around greenwashing set amongst a fragmentation in the pace and scale of ESG regulation around the world which adds complexity in managing a global business. Whilst this scenario poses business opportunities for the Group in the form of our Sustainability Services proposition, there are risks if the Group is required to align to new fragmented regulations quickly. We seek to manage these risks through our existing Group ESG Framework and the appointment of a Group Chief Sustainability Officer.



"The organisation has strong core values which are visible in our day to day activities."



VIABILITY STATEMENT

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 3. 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 continue 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 in relation to major new customer contracts.

The Group is diversified with its two Divisions and three business lines and revenues deriving from multiple jurisdictions and clients. The Board continuously considers changes to 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 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 36 years and has grown every year. It has long term customer relationships that typically last more than ten years.

Within the current four 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 year to 31 December 2024, forecasts for the subsequent two years have then been prepared leveraging off the detailed 2024 Forecast. 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 alongside management expectations for the next two years.

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

- Annual organic growth of +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 60 to 62. 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 no future growth resulting from a change in economic outlook that leads to a reduction in revenues due to depressed market activity;
- reduced cash conversion due to slower cash receipts from clients;
- adverse foreign exchange movements, no reduction to current interest rate and tax rate increases; and
- the loss of the Group's largest client by revenue from the current and subsequent periods with no redeployment of staff.

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 2026. 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.

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 2026.

GOING CONCERN BASIS

The Directors also considered it appropriate to prepare the consolidated financial statements on the going concern basis, as explained in note 2 to the consolidated financial statements on page 126.

We report in line with the Non-Financial Reporting requirement as detailed in Sections 414CA and 414CB of the UK Companies Act 2006.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION AND S172(1) STATEMENT

NON-FINANCIAL AND SUSTAINABILITY INFORMATION AND S172(1) STATEMENT

S172 AND SUSTAINABILITY MATTERS	SPECIFIC EXAMPLES	PAGES
(a) The likely consequences of any decision in the long term	<ul style="list-style-type: none"> Our dividend policy, taken together with sections of our Chief Financial Officer's Review, explains the returns we generate for the capital allocation decisions we make Our governance framework shows how the Board delegates its authority 	22 25
(b) The interests of the company's employees	<ul style="list-style-type: none"> Our purpose in action Employee engagement survey 	3 40
(c) The need to foster the company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> Partnering with suppliers We comply with the requirements of 'The Reporting on Payment Practices and Performance Regulations (2017)' for all of our in-scope UK companies 	74
(d) The impact of the company's operations on the community and the environment	<ul style="list-style-type: none"> Financial inclusion for all and Our communities Protecting the environment 	74 35 to 54
(e) The desirability of the company maintaining a reputation for high standards of business	<ul style="list-style-type: none"> Treating data with respect Partnering with suppliers 	53 54
(f) The need to act fairly between members of the company	<ul style="list-style-type: none"> Stakeholder engagement Investment proposition 	73 and 74 6

OUR AIMS

Our business model is set out on page 3.

NON-FINANCIAL RISKS

The Risk management and principal risks section of the Strategic report, starting on page 55, sets out the Group's approach to identifying and managing our principal risks and uncertainties. Our Three Lines of Defence model provides a rigorous governance framework, and the list of principal risks starting on page 60 gives details of the policies, outcomes and due diligence processes that control and mitigate those risks.

The key areas where non-financial adverse impacts could arise are:

1. RESPECT FOR HUMAN RIGHTS.

As data custodians, we have a responsibility to safeguard consumer privacy, and our global data policies guide how we manage and use data, build products and conduct our business around the world (see page 53).

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our working practices reflect our commitment to acting ethically and with integrity in all our business relationships and to maintaining effective systems to ensure forced labour or trafficking is not taking place anywhere in our supply chains (see page 115).

2. EMPLOYEES

Employee engagement is a key performance indicator (see pages 40 to 42 and 73), and we talk in the Sustainability section of the Strategic Report about our many programmes and initiatives that inspire our people to be their best, to bring their whole selves to work, our commitment to diversity, equality and inclusion, and our recruitment, retention and succession practices that help to mitigate the risk of our dependence on highly skilled personnel.

3. ENVIRONMENTAL MATTERS

We take our environmental responsibilities seriously. We remain a Carbon Neutral+ organisation and have strengthened our commitment to transparency regarding climate risk by reporting to Carbon Disclosure Project (CDP) for the first time (see page 50). See also pages 51 to 54 for further actions and initiatives JTC is taking to help protect the environment.

4. ANTI-CORRUPTION AND ANTI-BRIBERY

Our Staff Handbook sets out our zero-tolerance policy on bribery and corruption in any form, and this message is reinforced through mandatory annual training for employees.

5. SOCIAL MATTERS

JTC has many initiatives in place to deliver our purpose of creating a better tomorrow for consumers, businesses, our people and our communities. The role we play benefits everyone: businesses grow, people prosper and communities thrive. This happens in many ways, including through our core business, the development of social innovation products, employee volunteering and support for community groups and charities.

SECTION 172(1) STATEMENT

Section 172 legislation requires that directors 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. Section 172 also aims to help shareholders better understand how the directors have discharged their duty during the year while having regard to the matters set out in Section 172(1)(a) to (f) of the UK Companies Act 2006 ("s172 matters"). In addition, the 2018 UK Corporate Governance Code recommends that boards describe how the matters set out in Section 172 have been considered in their discussions and decision-making. JTC is a Jersey-incorporated company, nevertheless the Board fully embraces Section 172 and supports its aims and is reporting in line with its requirements.

Throughout 2023, the directors continued to exercise their duties while having regard to Section 172 matters, and also to other relevant factors as they reviewed and considered proposals from senior management, and as they governed the Company on behalf of its shareholders through the Board and its committees.

Outlined in the table opposite are examples of where the Board considered specific s172 matters throughout this Annual Report.

The Strategic Report on pages 1 to 65 was approved by the Board on 8 April 2024.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

GOVERNANCE AT A GLANCE

GOVERNANCE AT A GLANCE

BOARD HIGHLIGHTS

The Board navigated the challenges of an ever-evolving market landscape, driving forward our strategic growth objectives, enhancing ESG commitments, and pioneering digital transformation – underscoring our reputation as a FTSE 250 leader

BOARD SKILLS AND DIVERSITY

Actively fostering a wide skills mix and diversity within our Board is a priority. JTC has implemented rigorous recruitment strategies, invested in continuous professional development, and embraced inclusive practices to highlight and harness the power of diverse perspectives and expertise

PROMOTION OF CORPORATE CULTURE

The Board has promoted JTC’s distinct culture of integrity, collaboration, client-centric innovation and all employee shared ownership, creating an environment that encourages growth, enables success, and truly reflects who we are

PAY FOR PERFORMANCE

The Board has championed a performance-driven remuneration policy, ensuring that exceptional contributions to JTC’s progress are duly recognised and rewarded

Compliance with the Code

100%

PAGE 71

Board attendance

100%

PAGE 74

Shareholder communications

11

RNS announcements relating to our results and growth strategies

Shareholder engagement

129

Management meetings with institutional holders and non-holders

Board ‘Deep Dives’

6

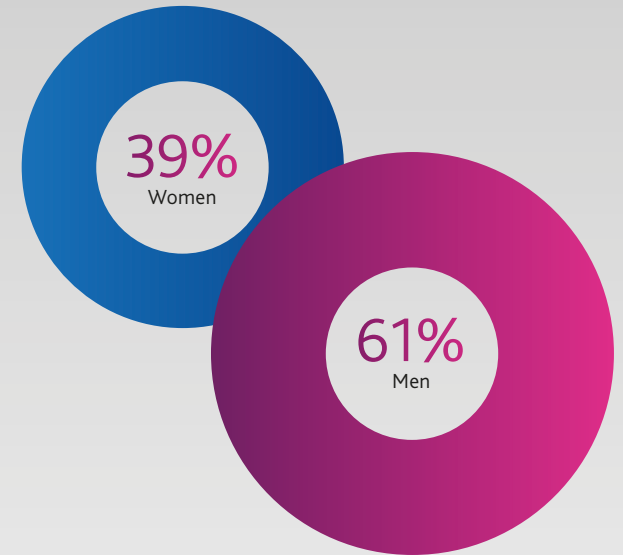
PAGE 74

ESG development

1st

Our first full submission to the CDP global disclosure system

BOARD GENDER DIVERSITY*



BOARD DIVERSITY

The Board recognises the fundamental importance of fostering diversity, equity, and Inclusion, both on the Board and within JTC as a whole, acknowledging that it is not only the right thing to do but also a strategic imperative that drives innovation, creativity, and results.

We have been making concerted efforts to advance DEI at Board level and these efforts, include actively encouraging applications from marginalised groups whilst ensuring equitable opportunities for all. Moreover, we are committed to ongoing evaluations of these strategies to identify areas of improvement and implement necessary adjustments. For further details see pages 75 to 78.

We are firm in our belief that the progress in DEI will strengthen our community and business as we navigate future challenges.

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

“Through unwavering commitment to exceptional corporate governance and sustained success, our collective endeavour is to create long-term value for all our stakeholders, with trust, transparency, and accountability at the core of our strategy.”

MIKE LISTON OBE CHAIRMAN OF THE BOARD OF DIRECTORS



CHAIRMAN'S INTRODUCTION TO GOVERNANCE

OUR BOARD

The Board's focus is on promoting the long-term sustainable success of the Company and creating value for all its stakeholders. The Board is committed to upholding the highest standards of corporate governance in line with the UK Corporate Governance Code 2018; and is responsible for good stewardship of the Company to protect shareholders' long-term interests and ensuring its social and environmental obligations are fulfilled.

The Board has eight directors comprising the Chairman, three executive directors and four independent non-executive directors, one of whom is the Senior Independent Director. There were no changes to the Board's composition during 2024. Biographies for each director and details of which Board Committees they are members of can be found on pages 68 and 69.

To ensure the Board performs effectively, there is a clear division of responsibilities agreed by the Board, between the Board and executive leadership of the business. Descriptions of the key roles are available at pages 71 and 72.

We conducted an internal evaluation of the effectiveness of the Board and its committees in 2023, led by the Chair of the Governance and Risk Committee and the Group Company Secretary. The evaluation has concluded that the Board is operating effectively but has identified some areas for improvement which we will focus on during 2024. Further details may be found on pages 79 and 80.

OUR BOARD COMMITTEES

To provide effective oversight and leadership, the Board has established four Board Committees to assist in the execution of its responsibilities. These are the Audit Committee, Governance & Risk Committee, Nomination Committee and Remuneration Committee. Each Committee operates under Terms of Reference approved by the Board. The Terms of Reference for these committees are available at www.jtcgroup.com/investor-relations/corporate-governance/ and on request from the Group Company Secretary.

UK CORPORATE GOVERNANCE CODE 2018 STATEMENT OF COMPLIANCE

For the year ended 31 December 2023, the company complied with all the provisions of the Code, which is available to view on the Financial Reporting Council's (FRC) website www.frc.org.uk,

and the Disclosure Guidance and Transparency Rules requirements to provide a corporate governance statement.

In accordance with Section 4, Principle N, Provision 27 of the Code the Board considers that, taken as a whole, this Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's financial position, performance, business model and strategy.

AGM

As Chairman of the Board of Directors, I would like to endorse the recommendations put forward by the Board for the forthcoming Annual General Meeting (AGM), and I encourage our shareholders to exercise their voting rights in favour of all the proposed resolutions.

These resolutions have been proposed after careful deliberation, with the Company's long-term prosperity and our shareholders' interests underpinning every resolution. The Board firmly believes that the adoption of these resolutions will facilitate the Company's future growth, reinforce corporate governance, and enhance shareholder value – all imperative to JTC PLC's ongoing success.

Moreover, your input and participation is crucial to the functioning of the Company and to buttressing the trust that underlies our commitments to you. We firmly believe in open dialogue with our shareholders, understanding that your insights and perspectives consolidate our collective effort towards sustainable success.

For those with further inquiries about the resolutions or any aspect of the AGM, the Company Secretary remains at your disposal. We appreciate that you may require further details or have questions on specific issues, and I encourage you to engage proactively in this process.

You may reach out directly to the Company Secretary. Your concerns will be addressed promptly, ensuring you possess the necessary information to make informed decisions at the AGM.

Once again, we are grateful for your continual support and faith in JTC PLC, and I look forward to welcoming your approval of the Board's proposed resolutions at the forthcoming AGM.

MIKE LISTON OBE
CHAIRMAN OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

VALUES AND LEADERSHIP

KEY

● Chair

● Nomination

● Audit

● Governance and Risk

● Remuneration



MIKE LISTON, OBE (72)
NON-EXECUTIVE CHAIRMAN N R



NIGEL LE QUESNE (63)
CHIEF EXECUTIVE OFFICER



MARTIN FOTHERINGHAM (59)
CHIEF FINANCIAL OFFICER



WENDY HOLLEY (57)
CHIEF OPERATING OFFICER &
CHIEF SUSTAINABILITY OFFICER N

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)

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 33 years with extensive trust, fund and corporate administration experience.

Extensive management and corporate finance experience.

Over 30 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.

BOARD OF DIRECTORS CONTINUED

GENDER BALANCE

MALE: 5

FEMALE: 3

KEY

● Chair

● Nomination

● Audit

● Governance and Risk

● Remuneration



DERMOT MATHIAS (74)
SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR N A G R

APPOINTMENT TO BOARD

8 March 2018

QUALIFICATIONS

Chartered Accountant.

EXPERIENCE

Extensive management, corporate finance and NED experience.

RELEVANT SKILLS

Strong financial skills.
Extensive experience in leadership and management.

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.



MICHAEL GRAY (58)
INDEPENDENT
NON-EXECUTIVE DIRECTOR N A G R

8 March 2018

FCBI, AMCT, Dip IoD.

Over 20 years' senior management, financial and capital raising expertise and relevant experience.

Communication and management skills.
Extensive experience in the banking sector.

Non-Executive Director & member of the Audit Committee GCP Infrastructure Investments Limited.
Non-Executive Director EPE Special Opportunities Limited.



ERIKA SCHRANER (56)
INDEPENDENT
NON-EXECUTIVE DIRECTOR N A G R

18 November 2019

PhD in Management Science & Engineering.

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.

Extensive information technology and M&A experience.

Non-Executive Director Pod Point Group Holdings Plc.
Senior Independent Non-Executive Director, Bytes Technology Group Plc. Non-Executive Director Hg Capital Trust Plc. Non-Executive Director Videndum Plc.



KATE BEAUCHAMP (49)
INDEPENDENT
NON-EXECUTIVE DIRECTOR N A G R

24 March 2022

LLB (Hons)

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

Strong risk management skills.
Extensive corporate governance, M&A contract negotiation and commercial litigation experience.

Not applicable.

BOARD ACTIVITIES DURING THE YEAR

BOARD ACTIVITIES DURING THE YEAR

STRATEGY AND PLANNING GROUP PLANS AND BUDGETS

- In November 2022, reviewed the Group's financial plan for 2023 and individually for the Divisions and Departments
- Reviewed forecasts and key performance targets, including assumptions, scenarios and projections Strategy
- Reviewed financial performance during 2023
- Board members met in December 2023 to discuss the Cosmos strategy and the financial plan for 2024 and individually for the Divisions and Departments
- Received updates on competitive environment and broader market developments

MERGERS AND ACQUISITIONS

- Oversight of potential merger and acquisitions (M&A) activities and portfolio strategy
- Considered and approved acquisitions: South Dakota Trust Company and Blackheath (completed Feb. 24)

GROUP ACTIVITIES AND PERFORMANCE UPDATES

- JTC business reviews, including at Group and Divisional level, functional reviews of certain business areas and capability centres and status updates on transformation programme
- Deep dives of functions such as M&A, HR, IT & cyber security, Banking & Treasury strategy
- Reviewed the Group's sustainability strategy and approach, including progress against delivery of our Sustainability Ambitions
- Received updates on sustainability activities and initiatives

FINANCIAL OVERSIGHT REPORTING

- Reviewed and approved JTC's Annual Report and Financial Statements including compliance with reporting requirements
- Reviewed and approved JTC's half-year results
- Provided results presentations to investors and employees during the year

GOING CONCERN

- Reviewed going concern and liquidity considerations

FINANCIAL RESOURCES

- Reviewed the company's financial position, Group debt and funding arrangements

INTERIM AND FINAL DIVIDEND PAYMENTS

- Approved the final 2022 and interim 2023 dividend payments

LEADERSHIP AND GOVERNANCE BOARD AND COMMITTEE PERFORMANCE REVIEW

- Conducted the annual Board performance evaluation, which identified areas for improvement and recommended actions
- Considered and proactively addressed actions from the 2022 Board performance review
- Oversight of Group talent planning and succession, including senior management succession and retention
- Considered the appointment of a new Non-Executive Director, as detailed on page 77.

TALENT, SUCCESSION AND BOARD COMPOSITION

- Oversight of Group talent planning and succession, including senior management succession and retention
- Considered Board composition, diversity and changes, including the proposed appointment of a new Non-Executive Director, as detailed on page 77.

SHAREHOLDERS AND STAKEHOLDERS

- Held the 2023 AGM as a physical meeting. Shareholders had the opportunity to pre-submit questions as well as ask them during the meeting
- Held Board and employee engagement meetings, to understand employee views, as part of September strategy meetings
- Engaged with major shareholders concerning the remuneration policy review
- Reviewed and approved governance matters, such as the Schedule of Matters Reserved for the Board, Committee terms of reference, Directors' conflicts of interest and compliance with the Code and best practice
- Approved JTC's 2023 Modern Slavery and Human Trafficking Statement, as recommended by the Governance & Risk Committee

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for compliance with the Code and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The sectors and environment within which JTC operates are dynamic and fast-moving and, in some areas, highly regulated and so controls are kept under review. The system is designed to assess and manage, rather than eliminate, risks. The Board relies on these controls

insofar as they are able to provide reasonable, but not absolute, assurance against material misstatement or loss. More detailed information may be found in the Risk Report on pages 55 to 63. The Group's principal and emerging risks and mitigating actions are detailed on pages 59 to 63.

BOARD ATTENDANCE IN 2023

The Board met formally five times during 2023, with all Directors attending each meeting.

A total of six focussed topics were discussed at 'deep dive' sessions attended by the Board and various members of the wider management team in 2023.

In addition to the formal Board and Committee meetings, which were similarly attended by all Committee Members, the CEO held informal monthly update call with the NEDs.

The Chairman met separately with the CEO throughout the year to discuss overall Company performance, operations and strategic updates and GDC activities.

APPROACH TO GOVERNANCE

APPROACH TO GOVERNANCE

LEADERSHIP AT JTC

There is an established and effective leadership structure in place at JTC. The Board has formed four Board Committees to assist in the execution of its responsibilities. These are the Audit Committee, Governance and Risk Committee, Nomination Committee and Remuneration Committee. Each Committee operates under terms of reference approved by the Board. The terms of reference are reviewed regularly, with the last review taking place in December 2023, and can be found on the company's website, at www.jtcgroup.com. The current Committee membership of each Director is shown on pages 68 to 69. In addition to the Group Holdings management board there are also two supporting Executive Management Committees (ICS ExCo, PCS ExCo and Ops ExCo): the Disclosure Committee and the Group Risk & Compliance Committee.

GOVERNANCE STRUCTURE CHART – SEE PAGE 58.



HOW WE ARE GOVERNED DEFINING ROLES AND RESPONSIBILITIES

The Board consists of a balance of Executive and Non-Executive Directors who, together, have collective accountability to JTC's shareholders and stakeholders as well as responsibility for the overriding strategic, financial and operational objectives and direction of the Group. The Board manages the overall leadership of the Group with reference to its formal Schedule of Matters Reserved for the Board. This schedule is reviewed annually, with the last review undertaken in December 2023, and broadly covers:

- Matters which are legally required to be considered or decided by the Board, such as approval of JTC's Annual Report and Financial Statements, declaration of dividends and appointment of new Directors
- Matters recommended by the Code to be considered by the Board, such as terms of reference for the Board and its Committees, review of internal controls and risk management;
- Compliance with regulations governing UK publicly listed companies, such as the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules
- Matters relating to developments in, or changes to, the Group's strategic direction, material corporate or financial transactions

The full Schedule of Matters Reserved for the Board is available on the website at www.jtcgroup.com

BOARD ROLES AND RESPONSIBILITIES

To ensure the Board performs effectively, there is a clear division of responsibilities, set out in writing and agreed by the Board, between the role of the Board and the executive leadership of the business. The key roles are defined in greater detail on pages 71 to 72.

NON-EXECUTIVE THE CHAIR

- Leading the Board and taking responsibility for the Board's overall effectiveness in directing the company
- Upholding the highest standards of integrity and ethical leadership, leading by example and promoting a culture of openness and debate, based on mutual respect, both in and outside the boardroom and in line with our purpose, values, strategy and culture
- Chairing Board and shareholder meetings and setting Board agendas
- Encouraging constructive challenge and facilitating effective communication between the Board, management, shareholders and wider stakeholders, while promoting a culture of openness and constructive debate
- Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders
- Leading the annual performance review process for the Board and its Committees and addressing any subsequent actions
- Promoting the highest standards of corporate governance
- Building a well-balanced, diverse and highly effective Board
- Ensuring Directors receive accurate, timely and clear information
- Ensuring there are appropriate induction and development programmes for all Board members
- Ensuring the long-term sustainability of the company

THE SENIOR INDEPENDENT DIRECTOR

- Acting as a sounding board for the Chair on Board-related matters
- Acting as an intermediary for other Directors as necessary
- Evaluating the Chair's performance on an annual basis
- Chairing Board meetings in the absence of the Chair
- Being available to shareholders and stakeholders to address any concerns that they have been unable to resolve through normal channels
- Leading the search and appointment process for a new Chair, when necessary

NON-EXECUTIVE DIRECTORS

- Providing independent input into Board decisions through constructive challenge and debate, strategic guidance and specialist advice
- Reviewing and approving the company's long-term strategic, financial and operational goals – examining the day-to-day management of the business against the performance targets and objectives set, ensuring that management is held to account
- Reviewing financial information and ensuring it is complete, accurate and transparent
- Ensuring there are effective systems of internal control and risk management and that these are monitored and reviewed
- Setting appropriate levels of remuneration for Executive Directors and ensuring performance targets are closely aligned with shareholder interests
- Development of succession planning for senior management
- Taking into account and responding to shareholders' views

APPROACH TO GOVERNANCE CONTINUED

EXECUTIVE

CHIEF EXECUTIVE OFFICER

- Principally responsible for the day-to-day management of JTC, in line with the strategic, financial and operational objectives set by the Board
- Chair of the GHB, consisting of the CEO, the CFO and senior management executives, who together are responsible for execution of the company's strategy and achieving its commercial aims
- Effective development and implementation of strategy and commercial objectives as agreed by the Board
- Maintaining relationships with investors and advising the Board accordingly
- Managing JTC's risk profile and establishing effective internal controls
- Ensuring there are effective communication flows to the Board and the Chair, and that they are regularly updated on key matters, including progress on delivering strategic objectives
- Regularly reviewing the organisation structure, developing a Group Executive team and planning for succession
- Providing clear leadership to promote the desired culture, values and behaviours to inspire and support the company's workforce
- Ensuring the long-term sustainability of the business
- Responsible for delivery of M&A strategy

CHIEF FINANCIAL OFFICER

- Supporting the CEO in developing and implementing the company's strategy and delivery of M&A strategy
- Leading the global finance function, and developing key talent and planning for succession
- Responsible for establishing and maintaining adequate internal controls over financial reporting and for the preparation and integrity of financial reporting
- Ensuring the Board receives accurate, timely and clear information in respect of the Group's financial performance and position

- Developing and recommending the long-term strategic and financial plan
- Tax and treasury strategy, budgeting and forecasting
- Debt facilities and maintenance of relationships with corporate lenders

CHIEF OPERATING OFFICER

- Overseeing day-to-day administrative and operational functions, including coordinating with human resources, IT, legal, BD & marketing and other departments
- Leading the Group operations departments, and developing key talent and planning for succession
- Responsible for establishing and maintaining adequate internal controls, preparation and integrity of non-financial reporting
- Ensuring the Board receives accurate, timely and clear information in respect of the Group's operations strategy
- Developing and recommending the long-term strategic plans and implements policies for daily operations, and communicates these plans policy changes to departmental supervisors
- Integration of acquired businesses

CHIEF SUSTAINABILITY OFFICER

- Oversees the overall execution, mission and efficacy of the Group's sustainability programme and functions
- Collaborates with the appropriate departmental managers to facilitate strategic plans and implements policies with the goal to minimise the Group's environmental impact

THE COMPANY SECRETARY

- Providing advice and support to the Chair and all Directors
- Advising and keeping the Board up to date and compliant on all relevant legal and governance requirements

- Ensuring the Board receives high quality, timely information in advance of Board meetings to ensure effective discussion
- Facilitating an induction programme for all Board members
- Ensuring there are policies and processes in place to help the Board function efficiently and effectively
- Keeping abreast of shareholders' views
- Oversees management of employee share plan administration

GROUP HOLDINGS BOARD

The board of JTC Group Holdings Limited provides executive leadership, guidance, and oversight to the Group, plays a key role in driving the organisation's success, and ensures decisions made align with the Board's strategy, vision, and goals.

The JTC Group Holdings board is chaired by the CEO, with the CFO and COO also being members of the board.

The additional members of the board are:

GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES

- Responsible for delivery of the approved Divisional business plan
- Oversees the daily operations of the Division
- Supervises senior management personnel
- Plans the division's budget, providing advice and conflict resolution management to staff; and
- Maintains the Division's standard and quality of work.

GROUP HEAD OF PRIVATE CLIENT SERVICES

- Responsible for delivery of the approved Divisional business plan
- Oversees the daily operations of the Division
- Supervises senior management personnel
- Plans the division's budget, providing advice and conflict resolution management to staff; and
- Maintains the Division's standard and quality of work.



GROUP CHIEF RISK OFFICER

- Responsible for the Group's risk management and compliance operations, including oversight of its risk identification and mitigation activities
- Developing strategic action plans to mitigate the company's primary threats
- Monitoring the progress of risk mitigation efforts
- Developing and disseminating risk analysis and progress reports to company executives, board members and employees.
- Integrating strategic risk management priorities into the Group's overall strategic planning.
- Developing and implementing information assurance strategies to protect against and manage risks related to the use, storage and transmission of data and information systems.
- Evaluating potential operational risk stemming from employee errors or system failures that could disrupt business processes, then developing strategies to reduce exposure to these risks and respond effectively.
- Overseeing funding and budgeting of risk management and mitigation projects.
- Communicating with stakeholders and board members about the organization's risk profile and perform risk assessments.

STAKEHOLDER ENGAGEMENT

HOW THE BOARD ENGAGES

OUR PEOPLE

Everyone employed by JTC

WHAT THEY NEED

- To be valued for their contribution
- To be fairly remunerated and rewarded
- To be supported
- To contribute to JTC's culture
- Training, learning and development
- Career progression
- To own part of JTC

HOW WE ENGAGE

- Executive Director responsible for workforce engagement
- Annual employee engagement survey
- Dedicated global intranet (JTC Joogle) with daily article updates
- Regional Board meetings
- Senior leadership meetings
- Divisional and departmental regional 'town hall' meetings
- "Ask the CEO anything" video Q&As
- Employee lifecycle surveys

HOW WE ADD VALUE

We support a positive, collaborative, diverse, equitable and inclusive culture and do all we can to make JTC a great place to work, where every person can bring their authentic selves to work. We celebrate performance and offer employees support to learn new skills and progress their careers, giving them a sense of purpose, an integral part of our organisational culture that has a positive impact globally.

1,800+ **89%**
EMPLOYEES ANNUAL EMPLOYEE
SURVEY RESPONSE RATE

OUR CLIENTS

Every individual or organisation who engages or uses JTC's services

WHAT THEY NEED

- Value for money
- A trusted professional services partner
- Expertise and experience
- Global reach
- Tailored solutions
- Compliance with regulatory requirements
- High-quality and accurate data
- Technology, data security and privacy
- Independence

HOW WE ENGAGE

- Day-to-day engagement with our client administration teams
- Ambassador and Key Account Management (KAM) programmes
- Engaging with clients through meetings, advisory boards, conferences and webinars
- Marketing campaigns and media relations activities, including web, email and social media

HOW WE ADD VALUE

JTC adds value for its clients by providing them with a comprehensive range of services, tailored to their specific needs, delivered by a team of highly skilled professionals, supported by advanced technology and a global network of resources.

100+ **15,000**
COUNTRIES CLIENTS GLOBALLY

OUR SHAREHOLDERS

Current and potential holders of JTC shares

WHAT THEY NEED

- To understand JTC's investment case, strategic direction, financial performance and sustainability
- To understand structural market trends and to generate sustainable investment returns through share price appreciation & dividends
- To understand management and incentive structures
- To ensure they are investing in businesses that are committed to environmental progress, societal benefit and which have strong governance

HOW WE ENGAGE

- Full year and interim financial results and pre-results trading updates
- Annual Report
- Ad hoc meetings, formal roadshows, conferences and sessions specific to our business, strategy and ESG matters
- Responding to investors' queries on financial, strategic and ESG topics
- Regular investor surveys and feedback
- Annual General Meeting

HOW WE ADD VALUE

We aim to create long-term shareholder value through organic and inorganic investments to grow our position in our chosen markets, balanced with shareholder returns, while ensuring we meet our wider sustainability commitments.

19.9% **37.23p**
NET ORGANIC REVENUE ADJUSTED
GROWTH UNDERLYING EPS

STAKEHOLDER ENGAGEMENT CONTINUED

OUR REGULATORS

Regulatory bodies, government institutions and policymakers in all our jurisdictions.

HOW WE ENGAGE

- Transparent and constructive relationships with regulators and policymakers, including regular interaction with members of senior management
- Responding to public consultations on issues relevant to our business
- Working collaboratively with regulators to ensure clients are compliant

HOW WE RESPOND

We monitor regulations and put in place policies and processes to ensure compliance. Board and Governance and Risk Committee reporting includes legislative and regulatory matters as well as relevant government affairs matters. We take part in events to communicate the role we play in supporting an innovative, well-regulated industry. We engage with policymakers to inform the development of appropriate legislation, and participate in multi-stakeholder engagement for policy consultation and to provide policymakers with a better understanding of our industry.

HOW WE ADD VALUE

JTC provides timely and accurate reporting to regulators on behalf of its clients, including financial reporting, tax reporting, and regulatory filings. This helps regulators to monitor the financial health and activities of JTC's clients and maintain the integrity of the financial system.

39

ENGAGEMENTS BY
JURISDICTION

34

INDUSTRY
ASSOCIATIONS

OUR SUPPLIERS

All those who directly supply JTC with goods or services.

HOW WE ENGAGE

- Procurement processes
- Supplier relationships
- Third-Party Supplier Risk Assessment processes
- Through our Sustainability programme
- Review modern anti-slavery and minimum wage compliance

HOW WE RESPOND

We create close and collaborative relationships with key suppliers to ensure streamlined processes and performance. This helps us uncover and realise new value, reduce costs and mitigate risk of failure. We help suppliers to understand our expectations and ethical requirements, and we conduct due diligence to ensure compliance with critical issues such as data security, modern slavery and environmental performance. Forging close relationships also helps us ensure we meet our compliance obligations.

HOW WE ADD VALUE

We support suppliers' businesses by paying on time, giving feedback when requested, maintaining an open dialogue and building long-term relationships. We create close and collaborative relationships with key suppliers, realising value, reducing costs and mitigating risk of failure.

£35m

PAID TO SUPPLIERS

300+

SUPPLIERS GLOBALLY

OUR COMMUNITIES

All those who live and work in the areas where we operate.

HOW WE ENGAGE

- Community investment, charity partnerships and sponsorship
- Employee volunteering
- Gifts in kind and pro-bono work
- Advice and support
- JTC 'Just giving' matched employee charitable donations

HOW WE RESPOND

How we work is as important as the work we do. Community engagement has always been central to our corporate social responsibility programme. Our employees get involved in their local communities through volunteering and participating in a broad range of fundraising for local projects in Europe, the Americas, the Caribbean and Africa.

HOW WE ADD VALUE

We support local communities through employment, paying taxes and corporate sponsorship. By helping our local offices prosper, we enhance their potential as employers.

£275k

DONATED, FUND RAISED
AND CONTRIBUTED

85

CHARITIES
SUPPORTED GLOBALLY

NOMINATION COMMITTEE REPORT

NOMINATION COMMITTEE REPORT

INTRODUCTION

Dear Shareholder

I am pleased to present the Committee's report for the year ended 31 December 2023.

It has been another busy year for the Committee, with a strong emphasis on reviewing skills and succession planning and enhancing diversity within our talent pipeline and across the business more generally.

The Committee continued its focus on equality, diversity and inclusion, which will be maintained in 2024.

COMPOSITION OF THE COMMITTEE

The Nomination Committee is chaired by me and comprises three independent non-executive directors, the non-executive chairman and the chief operating officer.

The Nomination Committee meets at least twice a year at appropriate times in the reporting cycle.

2023 MEETING ATTENDANCE

ERIKA SCHRANER	●●●
MIKE LISTON	●●●
DERMOT MATHIAS	●●●
MICHAEL GRAY	●●●
KATE BEAUCHAMP	●●●
WENDY HOLLEY	●●●

The Committee regularly evaluates the Board and its Committees, and considers the composition, balance of skills, experience and diversity and how effectively Directors work together to achieve JTC's objectives. The Committee ensures that plans are in place for orderly succession of the Board and senior executive management, overseeing a diverse pipeline of succession.

The Nomination Committee met three times during the year to fulfil the duties set out in its terms of reference. Only the members of the Committee are entitled to attend the Committee meetings, although other regular invitees to Committee meetings during the year included the Group Chief Executive Officer, the Group Head of Human Resources, the Group General Counsel and the Company Secretary. Committee members are excluded from participating when their own positions are under discussion.

ROLE AND RESPONSIBILITIES

The role of the Committee is to ensure that there is a formal, rigorous, and transparent procedure for the appointment of new Directors to the Board and to lead the process for Board appointments. The Nomination Committee has principal responsibility for making recommendations to the Board on new appointments

and the composition of the Board and its Committees. The Committee also assists the Board in succession planning for senior management. The role of the Committee includes, but is not limited to, the following matters:

- Regularly reviewing the composition (including skills, experience, independence, knowledge and diversity) of the Board and making recommendations to the Board with regards to any changes deemed necessary, taking into account the length of service of the Board as a whole and the need to regularly refresh membership;
- Reviewing the composition of each of the Board Committees and evaluating the performance and effectiveness of each Director;
- Keeping under review the leadership capabilities of the company, covering both executive, non-executive and senior management positions, ensuring plans are in place for orderly succession, with a view to ensuring the continued ability of the company to compete effectively in the markets in which it operates. It is noted that the Committee considers executive succession planning to be so important that it is reviewed by the full Board;

HIGHLIGHTS FROM THE YEAR

- review of the development of the JTC leadership competency framework (integral to Talisman) with a focus on the leadership behaviours required at all levels of the organisation
- review of Board composition, skills, experience and diversity needed to help the business succeed
- agreement to search for an additional NED in 2024
- consideration of the talent pipeline for potential new NED and other Board appointments;
- conducting the annual review of Board, Committee and individual Director effectiveness and performance and a review of the findings of the review and recommended actions;
- consideration and approval of the report of the Committee in the company's Annual Report and consolidated financial statements for the year ended 31 December 2023;
- consideration and recommendation to the Board of changes in Directors' outside interests and any potential conflicts of interest; and
- review of the succession plans for Executive Committee roles, including potential candidates for such roles, their backgrounds and experience, and how such candidates would contribute towards the company's diversity objectives

KEY FOCUS FOR 2024

- Selection of new NED
- Induction programme for newly appointed NED
- Executive and senior management succession planning
- Continue to monitor succession planning for Board members nearing their nine-year term
- Review of directors' skills matrix to ensure the Board is poised to support JTC in the Cosmos era
- Consideration and recommendation of the re-election of directors at our AGM
- Monitoring the implementation of Talisman, including plans to further evolve JTC leadership capabilities across the organisation to support the delivery of the Cosmos plan



NOMINATION COMMITTEE REPORT CONTINUED



- Ensuring that all newly appointed Non-Executive Directors undertake an appropriate induction programme to ensure that they are fully informed about the strategic and commercial issues affecting the company and the markets in which it operates, as well as their duties and responsibilities as a Director of the Board and member of a Board Committee(s); and
- Keeping under annual review and continually monitoring potential conflicts of interest, and, if appropriate, authorising situational conflicts of interest, whilst ensuring the risk of unacceptable influence resulting from any conflict of interest is minimised.

REVIEW OF COMMITTEE TERMS OF REFERENCE

The terms of reference for the Committee are reviewed on an annual basis. During the year, the Committee's terms of reference were reviewed and considered to be fit for purpose, in-line with best practice. The current terms of reference for the Nomination Committee are available on our website at www.jtcgroup.com.

REVIEW OF POTENTIAL CONFLICTS OF INTEREST

During the year, the Committee reviewed Board members' potential conflicts of interest. The Committee reviewed a schedule of external appointments and other potential situational conflicts as disclosed by each Director. Having reviewed the schedule, the Committee concluded that the appointments did not affect any Director's ability to perform his or her duties and recommended that the Board authorises each Director to continue in each of his or her external commitments. Each Director standing for election or re-election at the forthcoming AGM of the company has individually provided assurances that they remain committed to their roles and can dedicate sufficient time to perform their duties.



BOARD DIVERSITY

At JTC, we have always believed that a diverse and inclusive culture is a strategic imperative, treating it in the same way as we do each strategic priority—setting the tone from the top, holding leaders accountable and delivering against a clear action plan. We believe having a diverse mix of minds has helped ensure a caring and considerate business, which places a significant focus on our employees' wellbeing.

The Board is committed to prioritising diversity and supports the recommendations of the FTSE Women Leaders Review (previously the Hampton-Alexander Review) on gender diversity and the Parker Review on ethnic diversity.

As at 31 December 2023, female representation on the Board stood at 39% and Executive gender diversity at 17%. The Committee will continue to monitor pay gaps and building greater representation across the Group is a focus.

The Nomination Committee is responsible for keeping under review the composition of the Board and succession to it, reviewing succession planning for key Executive Committee roles, and overall talent strategy for senior leadership positions, including in relation to ensuring and encouraging diversity. It makes recommendations to the Board concerning appointments to the Board.

We do not have a written Board diversity policy but the Committee and the Board are committed to recruit members of the Board on the strict criteria of merit, skill, experience and cultural fit of any potential candidates, and to seek diversity of gender, social and ethnic backgrounds, age, cognitive and personal strengths. In this context, the Board will endeavour to achieve and maintain:

- a. A minimum of 40% female representation on the Board

“The culture of JTC is what inspires me to work here and is also why I would recommend JTC as a service provider.”

NOMINATION COMMITTEE REPORT CONTINUED

b. At least one member of diverse ethnicity on the Board

- Satisfying itself that plans are in place for orderly succession of appointments to the Board and senior leadership.
- Maintaining an appropriate balance of skills and experience within the Group and on the Board.

c. At least one of the senior board positions (as defined by the FCA rules) to be held by a woman.

It remains the Committee's intention to ensure that the Board complies with the recommendations of the FTSE Women Leaders Review on gender diversity and the Parker Review on ethnic diversity before the end of 2024.

The approach to Company-wide diversity is detailed on page 44 and is also fully applicable to our Remuneration, Audit, Governance and Risk and Nomination Committees.

APPOINTMENT OF ADDITIONAL NED IN 2024

A key area for focus in 2024 will be the selection of an additional NED. As of December 2023, the Board commenced a selection process adopting an open and inclusive recruitment process, including targeted referrals, designed to identify and attract a greater diversity of talent and to help promote opportunities to those interested in a non-executive director role on JTC's Board and encourage applications from marginalised groups. The Committee will be mindful of both the Company-wide and Board-specific diversity policies when selecting a candidate shortlist and will actively seek to identify and consider candidates from diverse backgrounds, experiences, and perspectives. The interview process with Board members is expected to be conducted during H1 2024.

NEW DIRECTOR APPOINTMENT PROCESS

The process for Board appointments is led by the Committee. The Committee will conduct a rigorous search for suitable candidates with the objective of ensuring there is a diverse talent pool on the Board with a mix of experience and skills required to achieve the objectives of the business. The Committee supports

diversity in its widest sense and seeks to appoint Board members from different backgrounds who will contribute differing perspectives to the Board.

For new Board appointments, the Committee considers the following matters:

- The purpose, values and culture of the business and the company's strategic priorities;
- The key skills and experience which may be required on the Board and its Committees; and
- The importance of diversity including gender, personal strengths, age and social and ethnic backgrounds.

RE-ELECTION OF EXISTING DIRECTORS

Non-Executive Directors are initially appointed for a three-year term and generally continue to serve one or more further terms. All Directors are nominated for appointment by the Committee, which is subsequently approved by the Board. During the year, the Committee considered the re-appointment of existing Non-Executive Directors. The Committee recommends that all existing Board members have their appointments renewed, and as such, resolutions to this effect will be proposed to shareholders for approval at the forthcoming AGM. Details of the specific reasons each Director contributes to and continues to be important to JTC's long-term success are set out in the Notice of AGM, available at www.jtcgroup.com/investors/annual-general-meetings.

GROUP EQUALITY, DIVERSITY AND INCLUSION

The Board and Committee fully recognise the importance of diversity, including gender and ethnicity, at Board and senior management level in compliance with the Code. Inclusion is key to JTC's culture and core values. We recognise that it is critical for us to have an appropriately diverse employee population and a Board and senior management team that is reflective of the markets we operate in, the profile of our employees and the clients we serve.

The Committee maintains its strong interest in the Group's progress in championing diversity, whether gender, ethnicity, or social mobility, and regularly reviews the demographics of the workforce as well as the leadership.

The proportion of ethnic minorities in comparison to the population varies significantly across our international locations and the multiple geographic regions where JTC operates, which affects the diversity of the pool of potential employees. Accordingly, we do not believe that a 'one size fits all' approach to ethnic minority targets makes sense, either for JTC or for our stakeholders.

Recruitment is about securing the most suitable candidate for every role and is crucial if our business is to continue to deliver on its goals. However, it is not always clear what makes a candidate 'suitable' and there is potential for unconscious biases to affect these decisions. In aiming to be more inclusive JTC has embedded inclusive practices in our recruitment process. The term 'underrepresented' is not always accurate, since in some cases a marginalised group can be overrepresented but still disadvantaged.

Our Talisman programme is intended to further enhance our efforts to ensure that diverse talent, including those from a minority ethnic background, is identified, supported, and given equal opportunities for success.

As part of the regular updates received by the Committee, rates of participation by a variety of characteristics are provided, noting that this is subject to employees' wish to disclose, or not, certain characteristics or sensitive information.

Colleagues are asked to provide personal information for the purposes of monitoring equality and for statutory reporting purposes, including Gender Pay Gap. This is collected during recruitment and on-boarding and colleagues are asked to periodically review and update as necessary. Information is stored on the Group's HR management system, including the data used to populate the table on the following page. Employees are encouraged to provide information on a voluntary basis.

TALENT MANAGEMENT AND SUCCESSION PLANNING (TALISMAN)

During 2023 we have reviewed the wider leadership team, ensuring that the Group has the requisite skills and experience and breadth of talent to meet the Group's longer-term strategic objectives. At the same time, we monitored the performance of the executive and senior management team.

The Committee, supported by the Group Head of Human Resources, regularly reviews both the executive and non-executive leadership as part of its standing agenda, reviewing both short- and long-term skills requirements, opportunities for positive support to minority groups, and early identification of high potential employees.

Project Talisman is a key initiative for the forthcoming Cosmos era, led at Board level by our COO and Chief Sustainability Officer, Wendy Holley, supported by the Group Head of Human Resources.

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.

NOMINATION COMMITTEE REPORT CONTINUED

JTC ACADEMY

We want everyone, wherever they work in the JTC network, to be able to develop the skills and knowledge that they need to be excellent in our world, and their own lives, to be the best versions of themselves and we deliver this to our team through the JTC Academy. JTC Academy provides a structured development programme giving access to materials and training tailored to job roles, performance, ambitions and potential.

The key elements of JTC Academy include technical, management and professional training providing a personal development programme, all aimed at providing excellence of service to clients and other stakeholders in the business.

JTC Academy builds on our traditions of mentoring and academic training, and brings those practices up to date whilst adding more opportunities than ever before for wider learning and development.

BOARD EFFECTIVENESS REVIEW

The Board undertakes a formal and rigorous review of its performance and that of its Committees and Directors each year. This ensures that they continue to operate effectively and are identifying opportunities for improvement and best practice, as well as helping to inform future agenda items and areas of focus. This year the review was undertaken by means of online questionnaires, followed by interviews. The outcome of the review concluded that the Board, its Committees, and individual Directors continued to demonstrate a high degree of effectiveness and collaboration, and that the Board had a forward thinking mind-set and a good understanding of opportunities for growth and risks facing the business. The table shows the positives, negatives and/ or actions suggested and ensured the feedback was shared with the Group's senior leadership. Further details on the Board evaluation process can be found on pages 79 to 80.

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, the rest of the Board, management and our external advisers for their support during the year.

ERIKA SCHRANER,
NOMINATION COMMITTEE CHAIR

ANNUAL STATEMENT ON BOARD AND EXECUTIVE TEAM DIVERSITY TARGETS

Our Board and Executive Team gender and ethnicity data is provided below in accordance with UK Listing Rule 9.8.6R(10) as at 31 December 2023. At the end of the financial year, the Board was asked to confirm which ethnicity category they identified with in the table below.

	PLC BOARD			EXECUTIVE TEAM	
	NUMBER OF BOARD MEMBERS	PERCENTAGE ON THE BOARD	NUMBER OF SENIOR POSITIONS ON THE BOARD (CEO, CFO, SID AND CHAIR)	NUMBER IN EXECUTIVE TEAM	PERCENTAGE OF EXECUTIVE TEAM
GENDER					
MEN	5	62	4	5	83
WOMEN	3	38	–	1	17
NOT SPECIFIED/PREFER NOT TO SAY	–	–	–	–	–
WHITE (INCLUDING MINORITY WHITE GROUPS)	8	100	4	6	100
ETHNICITY					
MIXED/MULTIPLE ETHNIC GROUPS	–	–	–	–	–
ASIAN	–	–	–	–	–
BLACK	–	–	–	–	–
OTHER ETHNIC GROUPS	–	–	–	–	–
PREFER NOT TO SAY	–	–	–	–	–

- Directors are defined as all Non-Executive and Executive Directors appointed to the Board. Board diversity related data are collated directly from each Director annually using a questionnaire and are given on a self-identifying basis.
- Directors of colour are defined in accordance with the Parker Review definitions as those "who identify as or have evident heritage from African, Asian, Middle Eastern, Central and South American regions".
- All Board diversity data above is given as at 31 December 2023

“Our Nomination Committee works relentlessly to ensure JTC’s governance team is rooted in diversity, expertise, and mutual commitment towards our collective success”

ERIKA SCHRANER

BOARD EVALUATION

BOARD EVALUATION

OVERVIEW

Annual evaluations are seen by the Board as a fundamental component of good governance, ensuring its continued effectiveness. In line with the UK Corporate Governance Code we operate an annual Board evaluation using a third party to assist the performance assessment at least every three years.

This year, the Board undertook an internal review using an anonymised electronic questionnaire. The outcomes, disclosed and discussed at the April 2024 meeting, facilitating a reflection on potential focus areas along with previous years' benchmarks, guiding further development.

Overall, the Board concluded that it was operating effectively, with communication and a strong governance framework being notable areas of excellence, and identified areas of focus for the coming year (see page 80).

2023 BOARD EFFECTIVENESS

In 2023, the Board of JTC PLC demonstrated a strong commitment to excellence through several initiatives. It initiated a detailed Annual Work Plan and refined protocols for Board & Committee Meeting to enhance effectiveness. Greater attention was given to internal audit and control reporting, safeguarding robust fiscal management. Directors continued to see value in the well-prepared 'deep dive' presentations on key topics, providing additional insight on areas of focus.

The Board effectively identified focus areas for the forthcoming year and confirmed overall efficient operations. Routine discussions on performance allowed each Board committee to assess their delivery against their terms of reference, concluding the continued effectiveness of operation. The discussed these responses, reviewed the previous year's focus areas, and contemplated future focal points at the April 2024 meeting.

The Board Chair held informal performance review sessions with individual directors throughout the year, with the Chair's performance being similarly evaluated by the Senior Independent Director.

A thoughtful action plan, devised from necessary development areas, has been incorporated into the Board's yearly planning, further improving its functionality.

Looking ahead, the Board will engage an independent third-party to conduct the evaluation of the Board's effectiveness in 2024. The overarching commitment to these exercises underscores the Board's dedication to continual improvement and adherence to good governance.

2023 PROGRESS IN FOCUS AREAS

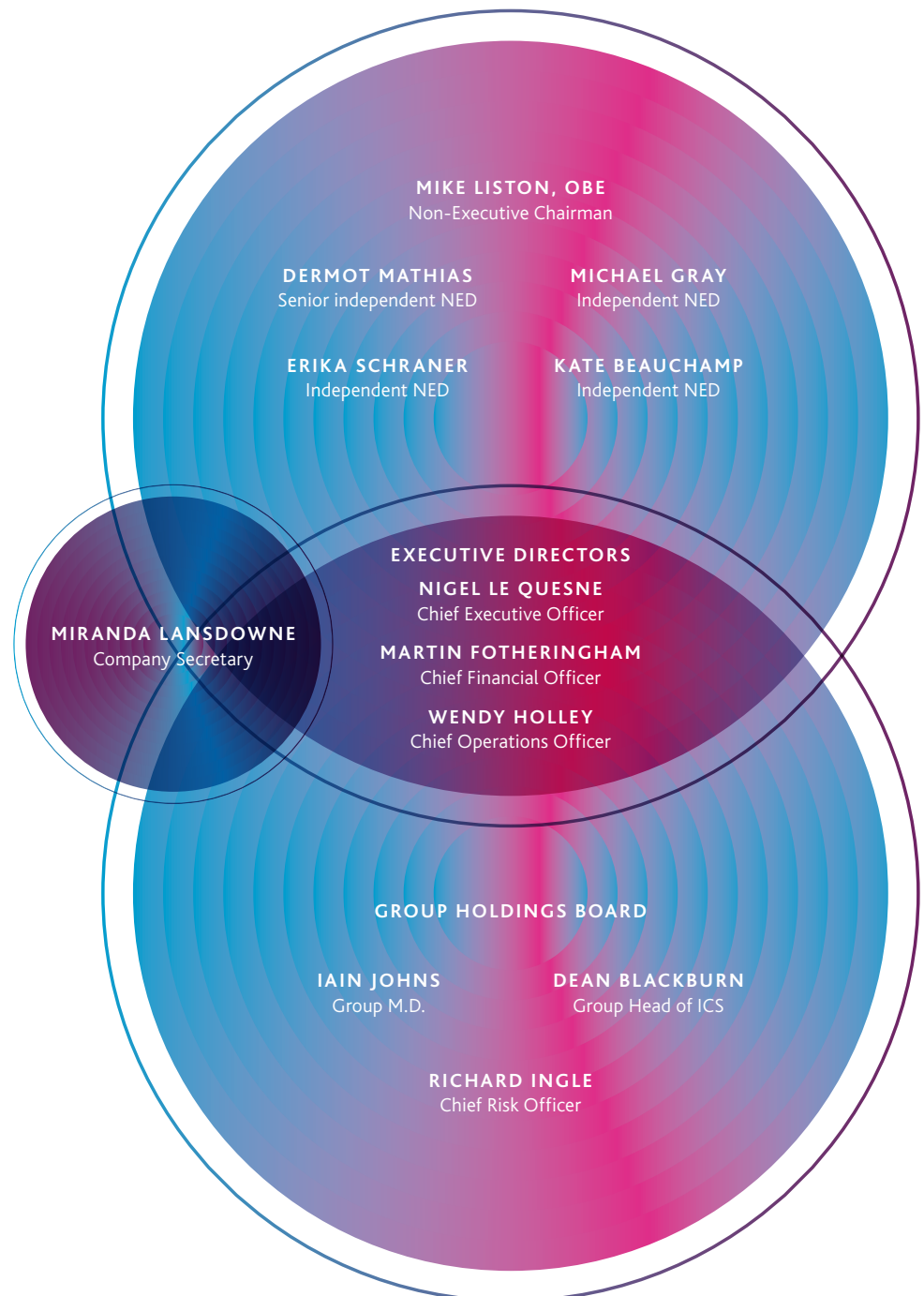
Sustainability: under the Board's consistent leadership, JTC has made significant strides in its ESG commitment throughout the year (pages 35 to 54).

Board Composition: the Board remains committed to ensuring diversity in age, gender, ethnicity, experience, and educational and professional background (pages 75 to 78).

Stakeholder Oversight: the Board's understanding of the employee experience and perceptions has been supported by the employee survey (see pages 73 to 74).

Succession & talent management: Project Talisman is an integral part of our succession and talent management strategies. The Board received presentations and updates on the progress made on Talisman throughout the year (page 77). The NED selection process is designed with a focus on deepening DEI. Candidates reflecting an array of perspectives, experiences, and backgrounds have been actively sought and encouraged to apply.

For further information see overleaf at page 80.



BOARD EVALUATION CONTINUED

KEY THEMES IDENTIFIED IN THE 2023 REVIEW

Focus	Question(s)	Comments
Governance	Director's Skills – Self Assessment – Personal Attributes: <ul style="list-style-type: none"> Ethics & Integrity Collaboration Contribution at meetings 	Directors continue to exhibit strong ethics and integrity, upholding the Company's principles and displaying a collaborative approach that fosters a productive Boardroom environment. Contributions at meetings enhance the discussion and decision-making process. These attributes were identified as highlights in the Board's pursuit of organisational excellence.
Governance	Board Committees	The effective performance of Board Committees was universally noted. Each committee diligently fulfilled its role, thereby strengthening the corporate governance framework and enhancing the Board's oversight capabilities.
Stakeholder oversight	How the Board engages to have more insight over stakeholders' experience & views	The second annual employee survey, enabling all employees to anonymously share their honest feedback, was identified as a highlight (page 40). Results were shared with all staff, together with the action plans to give employees visibility as to how the Board has interpreted and will use their feedback. Directors are keen to see progress made on the further development of the Stakeholder Map in 2024.
Sustainability	Director's Skills – Self Assessment: Professional Skills	The combination of the Board's broad strategic outlook with management's specialised knowledge in the areas, such as technology and sustainability, continue to ensure that the Board is adequately equipped to navigate the complexities of the dynamic landscape in which the Company operates.
Succession and talent management	To ensure appropriate succession planning for Board and senior management.	The Board had prioritised succession planning, safeguarding the continuity of leadership for both Board and senior management throughout the year. The roll-out of Talisman to identify Group-wide potential talent and foster their development was a key focus, ensuring a robust pipeline of skilled leaders, ready to helm the Company's continuous growth and progress in Cosmos, and beyond.

REVIEW FRAMEWORK

Directors were asked to consider whether the Board was fulfilling its core purpose across the three key components of Strategy, Governance and Risk and whether it was properly leveraging the three core drivers of effectiveness: behaviour, process and talent. Directors were also asked to assess their performance and that of the board during the year.

REVIEW SUMMARY

The overall scoring suggested a high degree of Board effectiveness, Directors' skills and diligence. Specific strengths noted include the ability to work collaboratively as a Board, and with management, in developing and guiding strategy. Relatively less favourable scores highlighted areas where individual Directors' assess their own skills and experience as being supported by management's expertise in the areas of technology and sustainability, however, it was noted that this did not affect the Board's collective capacity or effectiveness.

Governance Framework and procedures scored highly, suggesting robust structure and policies. With objectives & strategy similarly indicating clarity in strategic direction and an effective boardroom environment. Scoring reflected the fact that approval of organisational policies, within the Governance Framework, is delegated to the Group Holdings Board. It was noted that the accelerated delivery of board papers would offer added benefit to the NEDs, but was acknowledged that provision of these documents was inevitably impacted by the dynamic, rapidly evolving business environment. It was further noted that the comprehensiveness and high quality of the Board reporting remains "unparalleled" and adequately supplies Directors with all information needed to fulfil their responsibilities effectively.

2024 OPPORTUNITIES FOR BOARD EXCELLENCE, GROWTH AND IMPROVEMENT

- Continue scheduled 'Deep Dive' sessions on key areas of focus identified.
- Develop Board skills: progress NED selection and Board succession planning, with a focus on diverse candidates with a background in global business strategies would be beneficial to contribute to our strategic growth plans in Cosmos, and beyond.
- Control Framework: continued focus of internal audit function and control framework reporting
- Proactive Stakeholder Management: progress development of Stakeholder Map.
- Enhance delivery Board reporting: further enhance preparation and delivery, refining formatting, or considering the adoption of systems for efficiency.
- Policies: review protocols for Board policy approval and procedures for policy review timeline.

In 2024 the Board will engage an independent third-party to conduct the Board effectiveness evaluation, together with an assessment of the Directors' skills and individual performance, for an unbiased assessment of strengths and any areas of suggested improvement. The overarching commitment to this exercise underscores the Board's dedication to continual improvement and adherence to good governance.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ended 31 December 2023. This report details how the Committee has discharged its responsibilities, duties and performance during the year under review in relation to internal control, financial and other reporting, risk management, the internal audit function, and our relationship and interaction with the External Auditor.

COMMITTEE PRIORITIES FOR 2024

- Maintaining oversight and providing assurance to the Board on JTC's financial risk management and internal control procedures, including monitoring key areas, such as tax compliance
- Sustaining a strong culture of risk management and embedding and strengthening internal controls across the Group
- Holistically monitoring potential legislative and regulatory changes which may affect the work of the Committee
- Keeping abreast of emerging risks, both domestic and international, arising from the current geopolitical and economic landscape

COMMITTEE MEMBERSHIP

The Chair of the Committee is a Chartered Accountant with recent and relevant financial experience. He was formerly chair of BDO International and Senior Partner of BDO's UK firm, and Audit Committee Chair of another FTSE250 company, and has previously held NED roles for other companies.

All Committee members are independent Non-Executive Directors who have financial, economics and/or business management expertise in large companies.

As Chair of the Governance & Risk Committee, Kate Beauchamp's membership of the Audit Committee ensures that relevant issues, such as risk, whistleblowing and compliance are shared and coordinated between the two Committees.

Committee members are expected in particular to have an understanding of:

- The Group's operations, policies and internal control environment;
- The principles of, and recent developments in financial reporting;
- Relevant legislation, regulatory requirements and ethical codes of practice; and
- The role of internal and external audit and risk management.

The Board is satisfied that, in compliance with the UK Corporate Governance Code 2018 (the Code) and the FRC Audit Committees and the External Audit: Minimum Standard, Committee members as a whole have competence relevant to the company's sector (professional services). The relevant financial and sectoral experience of each Committee member is summarised on pages 68 and 69.

During the year all Committee members were re-elected at the AGM and they will stand again for re-election at the forthcoming AGM in May 2024. Committee appointments are generally made for a three-year period. Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee, which reviews membership in terms of skills, experience, knowledge and diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths. On joining the Committee and during their tenure, members receive training tailored to their individual requirements. Such training may include meetings with management covering internal audit, cyber security, risk management, legal, tax, treasury and financial matters, as well as meetings with the External Auditor.

All members of the Committee receive regular briefings from management on matters covering governance and legislative developments, accounting policies and practices, and tax and treasury. During the year, the Head of the Group Company Secretariat acted as Secretary to the Committee.

HIGHLIGHTS FROM THE YEAR

- Ensuring integrity in financial reporting
- Reviewing risk management and internal controls
- Managing relationship with the external auditor
- Assessing external audit independence and effectiveness
- Approving audit fees and resource allocation
- Monitoring compliance with laws and regulations
- Ensuring accuracy in external reports.
- Review governance arrangements and the compliance framework, both existing and new rules
- Assess existing public narrative and investors' expectations for future financial reporting of disclosures
- Ensure that financial statements reflect the requirements of all applicable accounting standards

KEY FOCUS FOR 2024

- Financial Reporting
- Internal Control: review and evaluate the company's processes, policies, controls, and monitoring around both financial reporting
- Assessing evolving regulatory and reporting environment
- Conduct a gap analysis to identify what controls are in place and map responsibility for them to ensure best practice and compliance with the new minimum standard for audit committees



AUDIT COMMITTEE CONTINUED

MEETINGS

During 2023, the Committee held three meetings at times aligned to the company's reporting cycle. Of the four meetings held during the year, Committee meetings usually take place ahead of Board meetings and the Committee Chair provides an update to the Board on the key issues discussed at each meeting. Committee papers are provided to all Directors in advance of each meeting, including a copy of the Committee minutes.

Meetings may be attended by senior representatives of the External Auditor, Chief Financial Officer and Group Head of Finance. The Chair of the Board and the Chief Executive Officer are also invited to attend. Other management attend when deemed appropriate by the Committee. Time is allocated throughout the year for private discussions with the internal audit team and the External Auditors without other invitees being present, as well as a private session of the Committee members. Committee member meeting attendance during the year is set out in the table below.

2023 MEETING ATTENDANCE

DERMOT MATHIAS	●●●
MICHAEL GRAY	●●●
ERIKA SCHRANER	●●●
KATE BEAUCHAMP	●●●

ROLE AND RESPONSIBILITIES

The Committee is part of the Group's governance framework and supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's financial reporting, internal financial controls and overall financial risk management process, and relationship with the company's External Auditor. There were no significant changes to the Committee's role and responsibilities during the year. The Committee's role and responsibilities are set out in its terms of reference, which are available on our website at www.jtcgroup.com.

Committee meetings cover matters set out in its terms of reference related to the reporting and audit cycle, including: half-and full-year results; internal and external audit work plans and reports; and regular updates from management and the External Auditor.

ACTIVITY DURING THE YEAR STANDING AGENDA ITEMS REVIEWED BY THE COMMITTEE THROUGHOUT THE YEAR

- Received reports from the CFO, internal audit function and External Auditor
- Considered tax and treasury matters, including provisioning for uncertain tax positions and compliance with statutory reporting obligations
- Considered legal matters, including provisioning
- Kept abreast of changes in financial reporting and governance matters by way of updates throughout the year
- Annual review of financial risk management and internal controls including risk management framework
- Received reports on internal controls and the Group's controls programme
- Review of the interim financial statements
- Review of the annual financial statements
- Review of the financial proposals for debt facilities

OTHER ITEMS CONSIDERED BY THE COMMITTEE AT MEETINGS DURING THE YEAR

- Review of the 2022 results announcement, draft unaudited Financial Statements and recommendation for approval by the Board
- Review of the 2022 Annual Report and Accounts, the going concern basis of preparation and Viability Statement, including whether the Committee could recommend that the Board approve the 2022 Annual Report and Accounts
- PwC's 2022 audit findings report, observations on JTC's internal controls for the 2022 financial year, management representation letter and report on the 2022 Annual Report and Accounts
- PwC's final non-audit fees for 2022 and approval of PwC's 2023 audit fees
- Review of the 2023 half-year results announcement, including the going concern basis of preparation, and recommendation for approval by the Board
- PwC's half-year review report findings to 30 June 2023 and management representation letter
- PwC's assessment of its objectivity and independence
- PwC strategy for the 2023 audit
- PwC's interim IT control findings relating to the 2022 audit cycle and audit strategy update
- Work undertaken in respect of the 2022 internal audit plan and monitoring the 2023 internal audit plan
- Annual review of Group Treasury policies
- Review of the Committee's 2024 standing agenda and terms of reference
- Results of the performance reviews of the Committee, the internal audit function and external audit

SIGNIFICANT AND KEY FINANCIAL REPORTING MATTERS

The key matters reviewed and evaluated by the Committee during the year were as follows.

The Committee is responsible for reviewing and approving the appropriateness of the interim and annual Financial Statements and related announcements, including:

- Recommending that, in the Committee's view, the Financial Statements have complied with all accounting standards, unless otherwise disclosed, and provided the information necessary for shareholders to assess the Group's performance, business model and strategy.
- In addition to the detailed preparation and verification procedures in place for the 2023 Annual Report and Financial Statements, management continued its focus on narrative reporting and clear written and visual messaging to communicate the Group's strategy
- Reviewing the appropriateness of the accounting policies, judgements and estimates used as set out on page 126 and concluding that the judgements and assumptions used are reasonable
- Reviewing the Group's policy relating to, and disclosure of, alternative performance measures (APMs)

AREAS OF SIGNIFICANT FINANCIAL JUDGEMENT

The areas of significant financial judgements in relation to the 2023 Financial Statements considered by the Committee, together with a summary of the actions taken, were as follows:

- Impairment of goodwill and other intangible assets
- Recognition and recoverability of 'work in progress'
- Accounting for business combinations
- Risk management framework: resiliency, data and technology and cyber risk
- Review of internal controls

AUDIT COMMITTEE CONTINUED

- Regulatory developments, accounting and disclosure trends
- Management's assessment of Company's TCFD disclosures

EXTERNAL AUDITOR INDEPENDENCE AND EFFECTIVENESS

The Committee is responsible for maintaining the relationship with the External Auditor on behalf of the Board. The company's External Auditor is PwC. The Committee considers and makes a recommendation to the Board in relation to the appointment, reappointment and removal of the External Auditor, taking into account independence, effectiveness, lead audit partner rotation and any other relevant factors, and oversees the tendering of the external audit contract. The Committee approves the External Auditor's terms of engagement and remuneration and reviews the strategy and scope of the audit and the work plan. The Committee also monitors the rotation of the lead audit partner every five years in accordance with the FRC's Ethical Standard. The current lead audit partner, Karl Hairon, has completed his second year as lead audit partner. During the year, PwC's reports to the Committee included the following matters:

- Audit strategy, materiality and scope (and regular updates)
- Audit findings and half-year review findings (and any updates) including identification of any significant risks to the audit and other key accounting and reporting matters
- Review of going concern and the Viability Statement
- Review of key audit judgements, including the recoverability of WIP and impairment of goodwill
- Draft audit opinion
- Draft management representation letters
- Draft engagement letter
- Analysis of non-audit services provided
- IT and other control findings

Besides the annual evaluation of the External Auditor, the Committee continually reviews the External

Auditor's effectiveness through means such as the monitoring of its progress against the agreed audit plan and scope. PwC reports to the Committee annually with an audit quality scorecard, providing a holistic view of, and their investment in, audit quality and how they measure their audit quality progress.

The Committee reviews the nature and level of non-audit services undertaken by the External Auditor during the year to satisfy itself that there is no impact on its independence. The Committee is required to approve non-audit services. The Board recognises that in certain circumstances the nature of the service required may make it timelier and more cost-effective to appoint an auditor that already has a good understanding of JTC. The total fees paid to PwC for the year ended 31 December 2023 were £1.4m, of which £0.3m related to non-audit and audit-related work (to which PwC was appointed principally for the above reasons). The Group's internal policy on non-audit fees (effective 1 January 2017) states that, on an annual basis, non-audit fees should not exceed 70% of the Group's external audit and audit-related average fees in the last three years for the Group Audit engagement work. The Board confirms that, for the year ended 31 December 2023, non-audit fees were 21.4% of the audit fees. Details of non-audit services provided by the External Auditor are set out in Note 6 on page 130.

The External Auditor is a key stakeholder in helping the Committee fulfil its oversight role for the Board. The Committee remains satisfied with the External Auditor's independence and effectiveness and believes PwC remains best placed to conduct the Company's audit for the 2024 financial year. PwC has expressed a willingness to continue as External Auditor of the Company. Following a recommendation by the Committee, the Board concluded, on the Committee's recommendation, that it was in the best interests of shareholders to appoint PwC as the Company's External Auditor for the financial year ending 31 December 2024. Resolutions to propose the reappointment of PwC and to authorise the Committee to fix its remuneration will be put to shareholders at the AGM on 21 May 2024.

GOVERNANCE

COMMITTEE PERFORMANCE REVIEW

This year, a performance review of the Committee was conducted as part of the Board's annual performance review. The performance review of the Committee utilised a bespoke questionnaire, sent to Committee members. Matters evaluated by Committee members included time management and composition, Committee processes and support, and the work of the Committee and its priorities for change. All areas received 'good' or 'excellent' scores overall, with reporting to the Committee scoring the highest. The Board, having had sight of the results of the Committee's performance review, considers the Committee to be operating effectively.

EXTERNAL AUDIT EVALUATION

The annual evaluation of the External Auditor was carried out in mid 2023 and the results reported to the Board in July 2023. The assessment of the External Auditor was conducted using a survey circulated to the Board, Group Executive Committees and Group Finance Department. The survey covered the four competency areas in the FRC's Guidance on Audit Quality: practice aid for Audit Committees (published in December 2019): Judgement; Quality Control; Skills and Knowledge; and Mindset and Culture.

Overall, The Committee remains satisfied with the External Auditor's independence, effectiveness, review and challenge and believes PwC is best placed to conduct the company's audit for the 2024 financial year.

DERMOT MATHIAS

CHAIR OF THE AUDIT COMMITTEE

8 April 2024

GOVERNANCE & RISK COMMITTEE REPORT

GOVERNANCE & RISK COMMITTEE REPORT

INTRODUCTION FROM THE COMMITTEE CHAIR

Dear shareholders

On behalf of the Board, I am pleased to present the Governance and Risk Committee Report for the financial year ended 31 December 2023. The Committee was formed as a new committee in December 2022 in recognition of JTC's continued commitment to operating to the highest standards of governance and risk management and the continuing development of the Group's risk framework.

The Committee members comprises all of the independent non-executive directors. The Chief Risk Officer, Head of internal audit and external audit lead partner will be invited to attend and address meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meetings as and when appropriate.

This report details how the Committee has discharged its role and responsibilities during the year in relation to monitoring and assessing the company's approach to governance and risk and to responsible, sustainable, ethical and compliant corporate conduct in accordance with JTC's purpose, culture and values.

The report also highlights the progress the Company has made over the year and identifies the areas on which the Committee will focus its efforts in 2024 to ensure that the Group further strengthens and enhances its policies, procedures and practices.

COMMITTEE'S PURPOSE

The Committee is part of the Group's governance framework and supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's corporate responsibility and sustainability, ethics and compliance strategies, policies, programmes and activities. Its role and responsibilities are set out in its terms of reference, which can be found at www.jtcgroup/investor-relations. We review our terms of reference annually. During the year, the Committee's terms of reference were reviewed and considered to be fit for purpose, in-line with best practice.

The Audit Committee has a monitoring function in respect of risk management and internal control systems, specifically financial controls, which also includes the assurance framework established by management to identify and monitor risks identified by the Committee. The Committee liaises with the Audit Committee and the Chair of the Governance & Risk Committee is a member of the Audit Committee.

COMMITTEE COMPOSITION

Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee, which reviews membership in terms of skills, knowledge, diversity and experience. The Board is satisfied that each member of the Committee is independent and that Committee members collectively have competence relevant to the company's industry sector, business and markets in which it operates. On joining the Committee and during their tenure, members receive additional training tailored to their individual requirements. Such training includes meetings with internal management covering governance and risk matters. All members of the Committee receive regular briefings from senior executives on matters covering governance, regulatory and legislative developments, corporate responsibility, sustainability and ethics-related matters, and JTC's policies in these areas. During the year, the Head of the Group Company Secretariat acted as Secretary to the Committee.

KEY HIGHLIGHTS IN 2023

- Reviewed significant risk management policies and associated risk management framework;
- Reviewed and approved the risk appetite statement
- Reviewed significant risk exposures and the steps that management has taken to identify, measure, monitor, control and report such exposures, including risks such as cyber, information security credit, market, liquidity, operational (which includes fiduciary and technology risks), strategic, and model the risks associated with incentive compensation plans;
- Evaluate risk exposure and tolerance;
- Reviewed significant issues identified by Risk and Compliance and the Internal Audit Department with respect to the risk management and compliance activities, together with management's responses and follow-up to these reports; and
- Reviewed significant examination reports and associated matters identified by regulatory authorities relating to risk management and compliance issues, and management's responses.

KEY ACTIVITIES IN 2024

- Oversee and make recommendations to the executives and the Board for actions to be taken in respect of the Group's corporate responsibility and sustainability, ethics and compliance strategies, policies, programmes and activities
- Take a proactive approach in anticipating and preparing for legislative or regulatory changes and reviewing processes to ensure compliance, including but not limited to the updated FRC UK Corporate Governance Code
- Review our sustainability objectives and chart progress against our targets, including overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all stakeholders
- Monitor and review the processes for risk assessment as regards corporate responsibility (including human rights and health & safety), sustainability and compliance matters (including regulatory and quality risk assurance and restrictive trade practices) and ethical conduct
- Continue focus on delivering the safety, quality, and compliance agenda
- Maintain responsiveness to global events impacting stakeholders, where JTC can provide support and assistance
- Keep abreast of market access conditions and maintenance of services, given the current political and macro economic landscapes

2023 MEETING ATTENDANCE

DERMOT MATHIAS	●●●
MICHAEL GRAY	●●●
ERIKA SCHRANER	●●●
KATE BEAUCHAMP	●●●

The Committee was formed by the Board in December 2022. The inaugural Committee meeting was held on 6 April 2023.

The Committee is expected to meet at least three times per year. In 2023, the Committee held three meetings. Meetings usually take place ahead of Board meetings and the Chair of the Committee reports formally to the Board on the Committee's proceedings. The CEO, CFO, COO, CRO, Group Head of Internal Audit, General Counsel & Company Secretary, Chief Sustainability Officer, Global Head of Communications and Group Head of Sustainability attend meetings by invitation. Other senior management attend when deemed appropriate by the Committee. All Board members are provided with copies of Committee papers and minutes. In addition to reviewing matters at Committee meetings, the Committee Chair held regular meetings with our CEO, COO, CRO and Chief Sustainability Officer, to review progress against the strategy and to represent the Board in supporting the efforts in these critical areas.

2023 COMMITTEE ACTIVITY

The Committee has several standing agenda items which it considers in-line with its terms of reference:

- Reviewing the constitution, terms of reference and performance of the Committee
 - Assessment, benchmarking and recommendations on policies, processes and procedures for corporate responsibility, sustainability and compliance and ethical conduct
 - Overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all its stakeholders, including reviewing the company's statement on Modern Slavery and Trafficking
 - In conjunction with the Audit Committee, reviewing the company's whistle-blowing, fraud and compliance arrangements, including the adequacy and security for the workforce to raise concerns, procedures for detecting fraud, systems and controls for the prevention of bribery and modern slavery
 - Monitoring and reviewing processes for risk assessment for corporate responsibility, sustainability, and compliance and ethical conduct
 - Agreeing targets and KPIs for corporate responsibility, sustainability and compliance and ethical conduct. Reviewing internal and external reports on progress towards set targets and KPIs
 - Receiving reports from management committees in respect of corporate responsibility, sustainability, ethics, and compliance and investigating and taking action in relation to issues raised or reported
- Specific matters which were considered by the Committee at its meetings during the year include:
- Regulatory matters review and remediation programmes.

RISK FRAMEWORK AND MANAGEMENT

The Committee supports the Board in fulfilling its oversight responsibilities in ensuring the effectiveness of the Company's overall risk management framework and processes and ensure corrective action is taken where necessary.

The Committee makes recommendations to the Board in relation to the adequacy and effectiveness of the system of risk management and internal controls, the Committee reviewed compliance procedures and JTC's overall risk framework (including the Group's whistle-blowing arrangements) and considered financial, operational risk and internal control processes at Group, Divisional and departmental levels.

There were no significant failings or weaknesses during the year meriting disclosure in this report. As outlined below (see Internal Controls) JTC's ongoing controls transformation programme in alignment with emerging FRC guidance following the BEIS consultation has identified certain control improvement opportunities that management is currently undertaking.

The Committee reported to the Board in February 2024 that it considers the internal control framework to be functioning appropriately, to enable the Board to meet its obligations under section 4 of the Code, to maintain sound risk management and internal control systems, and to report to shareholders on these in the Annual Report (see from page 55). The Committee also reviewed the 'three lines of defence' framework and the Group's principal and emerging risks.

The Committee considers and advises the Board concerning the appropriate risk appetite for the Company and the principal and emerging risks that the Company is willing to take across all major activities, taking into account the long-term strategy of the Company, its future plans and other internal information, as well as the external environment, including economic, political and industry information.

On an annual basis, the Committee carries out an assessment of the emerging and principal risks facing the Company (including those risks that would threaten its business model, future performance, solvency or liquidity and reputation) and provides advice on the management and mitigation of those risks. For further details refer to the Risk Report at pages 55 to 63.

INTERNAL CONTROLS

Internal control processes are implemented through clearly defined roles and responsibilities, supported by clear policies and procedures, delegated to the Group Holdings Board (GHB) and senior management. JTC operates a 'three lines of defence' model in monitoring internal control systems and managing risk. For further details refer to the Risk Report at pages 55 to 63.

INFORMATION SECURITY

In 2023 the Board attended six 'deep dive' presentations which included a dedicated session with the Chief Information Officer who updated the Board on the evolution and implementation of JTC's IS and cyber security strategy, policies and standards. The Committee continuously reviews the effectiveness of the Company's overall IS strategy, systems and processes and ensures corrective action is taken where necessary.

INTERNAL AUDIT

The Committee continuously reviews the quality and effectiveness of the Group's internal audit processes. The Committee works with the Chief Risk Officer and Head of Internal Audit to further develop and implement JTC's internal audit strategy, policies and standards.

GOVERNANCE & RISK COMMITTEE REPORT CONTINUED

SUSTAINABILITY AND ESG

An integral part of the work of the Committee is to oversee and advise the board on the Company's strategies, goals and commitments related to sustainability and ESG to promote the long-term sustainable success of the Company and Group, generating value for shareholders, our stakeholders and contributing to wider society.

2023 saw further development of our sustainability and ESG agenda. The Sustainability Report (pages 35 to 54) provides an overview of our approach to incorporating non-financial ESG factors as part of the Committee's analysis process to identify material risks and growth opportunities. We believe that effective governance and risk management practices are essential for ensuring the long-term success of our business, and we remain committed to upholding the highest standards in these areas. For further details refer to the Sustainability Report at pages 35 to 54.

COMMITTEE PERFORMANCE REVIEW

In 2023, a performance review of the Committee was conducted as part of the Board's internal performance review. The performance review of the Committee utilised a bespoke questionnaire, sent to Committee members. The 2023 performance review focused on the Committee's time management and composition, processes and support, work carried out and its priorities for change. Positive feedback was received in all areas. Meetings were managed well in line with the annual cycle of work. Committee meeting reports and papers were rated highly by Committee members. The Board, having had sight of the results of the Committee's evaluation, considers the Committee to be operating effectively.

SHAREHOLDER ENGAGEMENT

JTC is committed to having regular and constructive engagement directly with its shareholders to allow and encourage shareholders to express their views on governance matters directly to the Board of Directors outside of the annual meeting. The Board will annually communicate information about the Board of Directors and individual directors, the Company's corporate governance and executive compensation practices through the Directors' Remuneration Report.

The Board of Directors encourages shareholder participation at the Company's annual shareholder meetings as well as through informal meetings throughout the year as necessary. Each Director will attend the Annual General Meeting, absent a compelling reason. At each Annual Meeting, the Chairs of each Board Committee will be available to respond to shareholder questions. The Board of Directors encourages shareholders to attend the Company's Annual General Meeting as it provides a valuable opportunity to discuss the Company, its corporate governance and other important matters.

Our website also provides extensive information about the Board of Directors, its mandate, the Board Committees and their mandates, and our directors and can be found at jtcgroup.com/investor-relations.

Finally, I would like to take the opportunity to express the Board's appreciation to management and all employees for their continued support of JTC's governance and risk practices. The Committee looks forward to building on the Group's proven track record of strong risk management and compliance and supporting the ongoing efforts to further strengthen JTC's governance and risk management practices in the years to come.

By order of the Board

KATE BEAUCHAMP,
COMMITTEE CHAIR

8 April 2024

REMUNERATION REPORT

REMUNERATION REPORT

MEMBERSHIP OF THE COMMITTEE

All Committee members are independent Non-Executive Directors, as defined under the Code. Full biographies of the Committee members can be found on pages 69 to 70. 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.

MICHAEL GRAY, REMUNERATION COMMITTEE CHAIR



COMMITTEE MEMBERS

MICHAEL GRAY
Committee Chair, Independent
Non-Executive Director

MIKE LISTON
Non-Executive Board Chair

DERMOT MATHIAS
Audit Committee Chair, Senior Independent
Non-Executive Director

DR. ERIKA SCHRANER
Nomination Committee Chair, Independent
Non-Executive Director

KATE BEAUCHAMP
Governance and Risk Committee Chair, Independent
Non-Executive Director

2023 REMUNERATION COMMITTEE ACTIVITY

FEBRUARY – COMMITTEE MEETING

- Salary increases for 2023
- 2022 Outcomes
- 2023 Annual Bonus
- 2023 PSP

MAY – AGM

- Directors' Report on Remuneration approved by Shareholders

SEPTEMBER – COMMITTEE MEETING

- Chair's Remuneration review
- Directors' Remuneration Policy review and shareholder consultation

NOVEMBER – COMMITTEE MEETING

- Update on Directors' and Senior Managers' Remuneration review
- Update on Review of feedback from shareholder outreach in response to the proposed new Remuneration Policy

KEY ACTIVITIES IN THE YEAR AHEAD

- Implement the Directors' Remuneration Policy in respect of incentives for 2024 (both annual bonus and PSP).
- Monitor reward performance and include measures specific to risk in the Company's incentive structure.

COMMITTEE MEETINGS IN 2023

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

MICHAEL GRAY (CHAIR)	●●●
MIKE LISTON	●●●
DERMOT MATHIAS	●●●
ERIKA SCHRANER	●●●
KATE BEAUCHAMP	●●●

REMUNERATION REPORT CONTINUED

INTRODUCTION FROM THE COMMITTEE CHAIR

Dear shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for 2023. We also present our proposed Remuneration Policy (Policy) for which, in line with regulations, we are seeking shareholder support and approval at the 2024 AGM. A summary of the proposed changes to the approved Remuneration Policy is set out below and detailed further in this document.

In line with the reporting requirements, the report is split into three sections:

1. This introduction;
2. The proposed Directors' Remuneration Policy (for approval by shareholders at the 2024 AGM); and
3. The Directors' Remuneration Report

PERFORMANCE AND REMUNERATION OUTCOMES IN 2023

Management, under the leadership of the CEO, has delivered an exceptional and consistent performance for the business since 2018 when JTC listed on the London Stock Exchange, producing outstanding results in a challenging environment. 2023 was a year during which the growth objective set for the Galaxy era to double the size of the business was achieved two years ahead of plan. JTC's success is testament to the clarity of its strategy and the strength of its distinctive Shared Ownership culture. Every permanent employee is an owner, and as owners they are empowered to raise the bar year after year by improving the business in new and innovative ways. I am delighted that the remuneration outcomes for 2023 reflect both the exemplary performance of the business and the significant contribution made by the Executive Directors during the year.

Under the existing Remuneration Policy, each Executive Director is eligible for a maximum annual bonus opportunity of 100% of salary with performance assessed based on a balanced scorecard of financial and non-financial measures that support the Group strategy. 2023 bonus outturns based on performance ranged between 75% and 83% of salary for the Executive Directors and amounts in excess of 50% of salary will be deferred into shares subject to a further vesting period of 2 years to reinforce alignment of payouts with the experience of our long-term shareholders.

Vesting of the 2021 PSP awards for the Executive Directors depended on the achievement of stretching targets against two metrics: relative TSR and EPS. JTC's TSR was at the 88th percentile against the FTSE 250 Index (excluding Real Estate and Investment Trusts) comparator group for this award; as a result the TSR element vested at 100%. JTC achieved an underlying EPS of 37.23p within the three year period, as a result of which 97.3% of this element vested. Therefore, the 2021 PSP award vested at 98.65% of maximum for all Executive Directors.

During the year the Committee also received updates on the employee benefits review and all employee and Senior Managers remuneration related policies in order to provide the context for, and to ensure alignment with, the Policy on Executive Director remuneration.

Fuller details of the 2023 outcomes are provided in the 'at a glance table' on page 98.

REMUNERATION POLICY

JTC is a dynamic, ambitious organisation that is continuously improving, and it is my responsibility, and that of the Remuneration Committee, to ensure that the remuneration framework recognises, rewards, and incentivises the excellence to which we all aspire.

We reported in our 2022 Remuneration Report that the Remuneration Committee accelerated the review of the Remuneration Policy ahead of its third anniversary to better align the Remuneration Policy cycle with the business' strategy planning cycle, the Cosmos Era (2024 – 2027). JTC has quadrupled in size since listing in 2018, and its consistent track record of outperformance has led to the completion of its Galaxy era at the end of 2023, two years earlier than planned. Looking ahead, JTC has ambitious plans to once again double in size by the end of the Cosmos Era in 2027. This commitment highlights a strategic need to ensure that JTC's remuneration arrangements reflect the scale and complexity of the organisation it is today so that the people who are delivering against the strategic imperatives are commensurately recognised and incentivised to overachieve year after year.

Following the last AGM, considerable time was spent in 2023 reviewing the current Policy, including the remuneration structure, performance measures, and remuneration opportunities. This review was completed in the context of market and governance best practices. The Committee also consulted with our largest shareholders obtaining a coverage of c.60% of our issued share capital.

REMUNERATION REPORT CONTINUED

Following this review and the feedback received, the Committee concluded that the overall structure of the remuneration framework, including the performance measures applied for the annual bonus and the PSP awards, remains relevant and appropriate. However, in a market environment characterised by economic uncertainties and a shortage of talent, we want to continue to make JTC a place where the best and the brightest come and stay to build their careers. This means maintaining a fair and inclusive culture, where

progress is based on merit and pay is used to fairly recognise and incentivise exceptional performance. Remuneration levels should therefore be set at levels which are competitive within the financial services industry (excluding Banks) in which we operate, and fair compared to other senior management roles within the Company, taking account of internal relativities. These principles are reflected in the limited changes that the Committee is proposing for the Remuneration Policy which are summarised below.

Annual bonus	Increase maximum bonus opportunity from 100% to 150%, aligned to median levels for FTSE 250 companies.
Annual bonus deferral	Aligned with the proposed increase in the maximum bonus opportunity, for Executive Directors, 33% of any bonus earned will be deferred into shares for 2 years, consistent with market practice.
LTIP (PSP)	Increase maximum PSP opportunity from 150% to 200% of salary for the CEO and 175% of salary for the CFO and COO, aligned to FTSE 250 norms. No proposed changes to the existing exceptional maximum of 250% of salary. The Committee is cognisant of the need to ensure that the level of stretch built into performance targets takes into account the higher incentive opportunity.
Shareholding requirements	Aligned with the increase of LTIP opportunity, we propose to increase in-post shareholding guidelines from 150% of salary to 200% of salary for the CEO and 175% of salary for other Executive Directors. Shareholding requirements to be maintained for two years post-cessation of employment.

There are no structural changes proposed for the Non-Executive Director Remuneration Policy.

Details of JTC's proposed Remuneration Policy may be found on pages 91 to 94.

The Board and the Remuneration Committee are satisfied that the proposed Remuneration Policy provides support to the Group's overall pay for performance philosophy, incentivises continued excellence, and provides sufficient flexibility to future proof JTC for growth now and over the long-term. It is in line and consistent with the applicable regulatory provisions, comments received from and the expectations of 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 21st May 2024 and, if approved, shall remain valid for the three financial years following that in which it was approved, i.e. until 21st May 2027.

PAY ARRANGEMENTS FOR 2024

The Committee carefully considered the Executive Director salary review, particularly in the context of the decisions for the wider workforce pay arrangements, and approved a salary increase of 6.4% aligned with the wider workforce. The approved increase is lower than the Jersey cost of living increase which was reported as 7.5%. Salary adjustments were considered in the context of the individual contributions of the Executive Directors, JTC's growth and shareholder returns, affordability, remuneration levels across the business (including at the management and executive levels), as well as increases for the wider workforce.

Reflecting on the existing incentive framework, it was agreed that the annual bonus and PSP continue to effectively align pay and strategy. As a result, no structural changes are proposed for 2024.

Performance under the annual bonus will continue to be measured based on a balanced scorecard comprising financial and non-financial measures aligned to the annual priorities of JTC's Cosmos Era business plan. The 2024 PSP will maintain the financial measures previously applied, being 50% Total Shareholder Return relative to the FTSE 250 Index (excluding Real Estate and Investment Trusts) and 50% EPS which reinforce JTC's focus on profitability as well as alignment with long-term value for shareholders and the business. The maximum opportunity for the annual bonus and the PSP will be adjusted in line with the proposed Policy and is subject to shareholder approval at the AGM.

As part of the review of the performance measures used for JTC's incentive plans, the Committee spent considerable time discussing the current ESG measures in the annual bonus, and the appropriateness of increasing the weighting of incentives linked to JTC's ESG performance (from 10% tied to the annual bonus). We take our ESG responsibility very seriously, and the Committee is confident that this commitment is embedded within the behaviours of our Executive Directors, as well as our global operations. As further detailed on pages 35 to 54, our sustainability commitments sit at the heart of our business operations and inform day-to-day decisions at all levels and across all departments. Therefore, on balance, the Committee determined that the current weighting of ESG in JTC's incentives remain appropriate and will keep this under review as JTC's sustainability strategy evolves over time.

REMUNERATION REPORT CONTINUED

As per the guidance from the Investment Association and the expectation of our major shareholders, pension contributions for the Executive Directors will remain aligned with the average workforce entitlement. For 2024, the average pension contribution will be 7% (in Jersey and UK).

Alongside the Executive Director reviews, the Policy for Board and Non-Executive Director fees was reviewed by the Board in consultation with Mercer Limited, its independent Remuneration advisor, to ensure it remains appropriate, reflecting the significant increase in responsibilities and FTSE 250 market practice. JTC has approved limited changes to the level of fees for 2024 to ensure that they are commensurate with the contributions of the NEDs in the context of market norms. 2024 implementation details are further described from page 110.

In closing, I would like to thank our shareholders for their continued support and engagement during the year. I hope you will join the Board in supporting our Remuneration Policy and Annual Report on Remuneration at the AGM on 21 May 2024.

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIR

8 April 2024

WHO SUPPORTS THE COMMITTEE?

The Committee received remuneration advice from Mercer Limited (Mercer), its independent external remuneration adviser. 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). Mercer does not provide other services to the Group and is considered to be independent by the Committee. Fees paid to Mercer totalled £94,797 (excluding expenses and VAT) for the 2023 financial year in its capacity as advisers to the Committee.

AGM SHAREHOLDER VOTING

RESOLUTION	VOTES FOR	VOTES AGAINST	VOTES WITHHELD
Approve Directors' Remuneration Report (2023 AGM)	118,631,534	6,575,797	Nil
	94.75%	5.25%	
Approve Remuneration Policy (2022 AGM)	122,812,080	5,366,206	4,171
	95.81%	4.19%	

"Cementing the correlation between remuneration and performance, the Committee is committed to setting ambitious targets that drive growth. We firmly believe in the incentivising power of rewards, affirming that stellar individual contributions to JTC's advancement are duly met with deserved recognition."



REMUNERATION REPORT CONTINUED

DIRECTORS' REMUNERATION POLICY

INTRODUCTION

This section sets out proposed changes to JTC's Remuneration Policy for Executive and Non-Executive Directors for approval at the 2024 AGM. The Policy was last approved by shareholders at the 2022 AGM.

As disclosed in our 2022 Remuneration Report, the Remuneration Committee has accelerated the review of the Policy ahead of its third anniversary to better align JTC's Remuneration Policy cycle with the strategy planning cycle. With the completion of the Galaxy era at the end of 2023, which was two years earlier than planned, the Policy was reviewed over the course of 2023 to ensure that it remains fit for purpose to support the growth ambitions of the Cosmos era (2024 – 2027), JTC's new strategy cycle.

In reviewing the Policy, the Committee has been mindful of the hugely important role that our Executive Team – and especially the Executive Directors – play 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. JTC has quadrupled in size since the IPO in March 2018, as reflected in JTC's ascension to the FTSE 250 in November 2020 less than three years later. The Company has since doubled in size and is on track to double in size again by the end of the Cosmos era.

In this context, a significant proportion of the Committee's time in 2023 was spent on accelerating the review of the Policy that was last approved by shareholders at the 2022 AGM with support from Mercer. The review was guided by a number of overarching objectives:

- Remuneration should be fair, competitive, and strongly performance-based
- Exceptional performance should be appropriately rewarded
- The remuneration framework should help JTC retain and attract critical senior talent and should appropriately reflect market and best practice
- Remuneration outcomes should be aligned with the overall shareholder experience and with the best practice expectations of investors.

The Committee is proposing limited changes and intends to retain the overall structure of the remuneration framework. The proposed changes for Executive Directors, outlined below, are intended to ensure alignment of remuneration levels within the financial services industry (excluding Banks) in which we operate and to ensure that pay arrangements are appropriate compared to other senior management roles within the Company, taking account of internal relativities. Importantly, the proposed changes are underpinned by a desire to future proof JTC for growth now, and over the long-term. This new Remuneration Policy will be subject to a binding shareholder vote at the 2024 AGM and, subject to shareholder approval, will become effective from the date of the AGM and remain in effect for three years.

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 Policy 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 Policy on remuneration is approved by Shareholders, the Committee may only authorise payments to Directors that are consistent with the Policy as approved by shareholders. 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 executives 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 overall approach taken to reward is consistent across the company but with senior executives generally having higher levels of variable pay in line with their responsibilities and external market norms
- The approach is simple to communicate to participants and shareholders

Particular account has been taken of remuneration practices and levels within FTSE 250 companies, and other comparable organisations within the financial services industry (excluding Banks).

REMUNERATION REPORT CONTINUED

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	WHAT HAS CHANGED
SALARY	PROVIDES A COMPETITIVE LEVEL OF REMUNERATION TO ATTRACT AND RETAIN EXECUTIVES WITH THE APPROPRIATE EXPERIENCE AND EXPERTISE.	<p>The Committee takes into account a number of factors when setting and reviewing salaries, including:</p> <ul style="list-style-type: none"> • 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 • Affordability • Salary relative to other staff 	<p>There is no set maximum to salary levels or salary increases.</p> <p>Salaries are reviewed annually with increases effective 1 January.</p> <p>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.</p>	n/a	No material change
BENEFITS	PROVIDES MARKET-TYPICAL BENEFITS SUFFICIENT TO ATTRACT AND RETAIN EXECUTIVES WITH THE APPROPRIATE EXPERIENCE AND EXPERTISE.	<p>Executive Directors are entitled to benefits in line with our policies which may include:</p> <ul style="list-style-type: none"> • Life assurance • Private medical insurance • Certain de minimis benefits in kind <p>Executive Directors are also eligible to benefits offered to our wider employees including any new benefits that may be introduced in the future.</p> <p>Where appropriate, our Global Mobility Policy may apply. This may include, but not be limited to, travel, relocation, and tax equalisation allowances.</p>	<p>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.</p>	n/a	No material change

REMUNERATION REPORT CONTINUED

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	WHAT HAS CHANGED
PENSIONS	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 are aligned with the average percentage contribution or entitlement available to staff in the relevant market (7% in Jersey and UK from 1 January 2024). The Committee reserves the right to review this contribution in the event that the average workforce rate changes in the future.	n/a	No material change
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 as described on page 95.	Maximum opportunity of 150% of annual base salary. 33% of any bonus earned will be deferred into shares (in the Deferred Bonus Share Plan "DBSP") for two years.	Awards are based on financial, operational and individual goals set at the start of the year. The Committee reserves the right to adjust the amount paid 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.	Increase bonus opportunity to 150% of salary from 100% for Executive Directors.
DEFERRED BONUS SHARE PLAN ("DBSP")	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 as described on page 95.	For Executive Directors, 33% of any annual bonus earned will be deferred in shares for two years.	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.	33% of any bonus earned will be deferred for a total of 2 years. Previously any bonus in excess of 50% of salary is deferred for 3 years.

REMUNERATION REPORT CONTINUED

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	WHAT HAS CHANGED
PERFORMANCE SHARE PLAN ("PSP")	SHARE-BASED 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. If applicable, accrued dividends would normally be paid in 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 as described on page 95.	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 200% of their annual base salary for the CEO and 175% for other executive directors, 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.	Increase the target PSP grant size to 200% salary (CEO) and 175% salary (other Executive Directors). Exceptional maximum will remain unchanged at 250% of salary. Previously the Maximum opportunity was 150% of salary for all Executive Directors.
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 holding of shares in the Group. 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 for a period of 2 years.	200% of annual base salary for the CEO and 175% of annual base salary for other Executive Directors.	n/a	Increase of in-post shareholding guideline from 150% to 200% of salary for CEO and 175% of salary for other Executive Directors, to be maintained for two years post-cessation of employment. This increase is aligned to the increase in LTIP opportunity for Executive Directors.

REMUNERATION REPORT CONTINUED

**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 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.

**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. 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 currently measured against relative TSR and EPS reflecting the need to drive profitability as well as alignment with long-term value for shareholders and the business.

EPS 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.



REMUNERATION REPORT CONTINUED

The charts overleaf are based on the following assumptions for arrangements reflecting the proposed Policy:

SCENARIO	DETAILS
Minimum	Fixed remuneration only, i.e., base salary and pension contribution: CEO: £523,889 and 7% pension contribution effective 1 January 2024 CFO: £375,060 and 7% pension contribution effective 1 January 2024 COO: £290,738 and 7% pension contribution effective 1 January 2024
Target	Fixed remuneration as above, plus target bonus (50% of maximum) and threshold PSP vesting (25% of maximum): Bonus: 75% of salary for all Executive Directors PSP: 50% of salary for the CEO and 43.75% of salary for the CFO and COO
Maximum	Fixed remuneration as above, plus maximum bonus and full vesting of the PSP award: Bonus: 150% of salary for all Executive Directors PSP: 200% of salary for the CEO and 175% of salary for the CFO and COO
Maximum + 50% SPA (Share Price Appreciation)	As above, plus 50% share price growth over the vesting period for the PSP award.

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 share plans (as described at pages 93 and 94) 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 Executive Director hires (including those promoted internally) will be offered packages in line with the Remuneration Policy in force at the time. It is the Remuneration Committee's policy that no special arrangements will be made, and in the event that any deviation from standard policy is required to recruit a new hire, approval would be sought at the AGM.

The Remuneration Committee recognises that it may be necessary in exceptional 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.

For internal promotions to the Board, incentive and other awards made prior to an individual's promotion may continue in force based on their existing terms and provisions.

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 at the normal vesting date, 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 6 months' notice and the individual giving 6 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 REPORT CONTINUED

REMUNERATION FOR NON-EXECUTIVE DIRECTORS

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 comparable companies. The structure of the fees is listed below in the table and the 2024 fees are outlined on page 109.

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY
BOARD 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.	<p>The fees paid to the Non-Executive Directors are determined by the Board Chair and the Executive Directors. The fee paid to the Board Chair is determined by the Remuneration Committee.</p> <p>Additional fees are payable for acting as Senior Independent Director and as Chair of the Board's Audit Committee, Nomination Committee, Remuneration Committee, and Governance and Risk Committee. Non-Executive Directors may receive additional fees in the event that they are required to take on additional responsibilities.</p> <p>The Company may reimburse the Board Chair and Non-Executive Directors for reasonable expenses in performing their duties.</p> <p>The Board Chair and Non-Executive Directors do not participate in pension or variable incentives.</p>	<p>Fee levels are set by reference to Non-Executive Director fees at companies of similar size and complexity. Levels are reviewed periodically and any increases will take into account the general increases for salaried employees within the Company.</p> <p>The maximum aggregate fees for the Non-Executive Directors' fees, including the Board Chair's fee is £120,000 p.a. as set out in our Articles of Association.</p>

APPROVAL

This report in its entirety has been approved by the Committee and the Board of Directors and signed on its behalf by:

MICHAEL GRAY

CHAIR OF THE REMUNERATION COMMITTEE

8 APRIL 2024

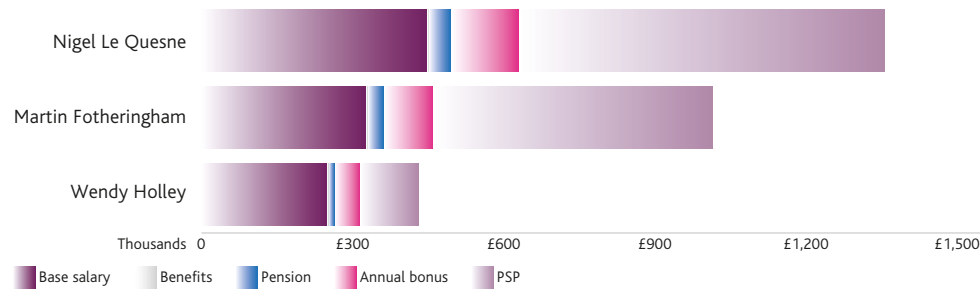
REMUNERATION REPORT CONTINUED

2023 PERFORMANCE AT A GLANCE & REMUNERATION OUTCOMES

2023 SINGLE FIGURE REMUNERATION

BASE SALARY BENEFITS PENSION ANNUAL BONUS

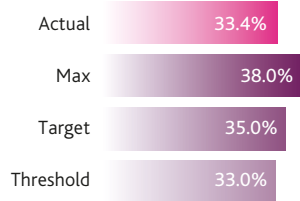
2023 Annual bonus award (further details on page 99)



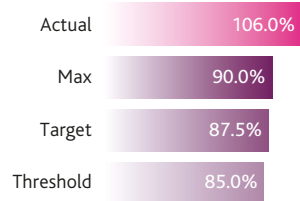
FINANCIAL METRICS:

The above charts are based on the following assumptions:

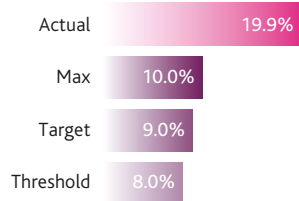
EBITDA MARGIN



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 101.

The above charts are based on the following assumptions:

	MAX. OPPORTUNITY % OF SALARY	OUTTURN (% OF SALARY)	OUTTURN ¹ £	AMOUNT SUBJECT TO DEFERRAL ^{1,2} £
Nigel Le Quesne	100%	83%	409	162
Martin Fotheringham	100%	83%	293	116
Wendy Holley	100%	75%	205	68

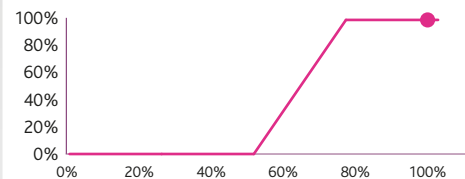
1 Figures are shown to the nearest thousands.

2 The Remuneration Policy states that any bonus earned in excess of 50% of salary is deferred into shares on a net of tax basis for 3 years.

PSP (further details on page 103)

The 2021 PSP award was subject to performance conditions for a period ending on 31 December 2023. Final vesting of the TSR and EPS are shown below:

TSR



TSR threshold performance begins at median ranking against the FTSE 250 (excluding real estate and investment trusts) with 25% of the element vesting rising to full vesting for upper quartile performance.

JTC at 31 December 2023 ranked 88th percentile and therefore the TSR element has fully vested.

EPS



EPS threshold performance begins at 30p with 25% of the element vesting rising to full vesting for 37.5p.

JTC at 31 December 2023 achieved an EPS of 37.23p and therefore 97.3% of the EPS element of the award vests.

REMUNERATION REPORT CONTINUED

ANNUAL REPORT ON REMUNERATION

The Annual Report on Remuneration and the Annual Statement will be put to a Shareholder vote at the AGM on 21 May 2024.

SINGLE TOTAL FIGURE OF REMUNERATION FOR EXECUTIVE DIRECTORS (UNAUDITED)

The table below sets out the total remuneration payable to each Executive Director for the years ended 31 December 2023 and 31 December 2022.

SINGLE TOTAL FIGURE OF REMUNERATION ¹		BASE SALARY ²	BENEFITS ³	PENSION ⁴	ANNUAL BONUS ⁵	PSP ⁶	OTHER	TOTAL	TOTAL FIXED	TOTAL VARIABLE
Nigel Le Quesne	2023	492	3	25	409	798	n/a	1,727	520	1,207
	2022	448	3	45	179	746	n/a	1,421	495	925
Martin Fotheringham	2023	353	3	18	293	582	n/a	1,248	373	874
	2022	326	3	33	108	544	n/a	1,013	362	651
Wendy Holley	2023	273	2	14	205	443	n/a	938	289	648
	2022	249	3	12	62	102	n/a	428	264	164

1 Figures are shown to the nearest thousands throughout the single figure table.

2 Base Salaries were increased effective 1 January for each applicable year. For 2022, the figures represent the increased salaries as disclosed in the 2022 remuneration report.

3 Benefits provided to Executive Directors include healthcare and annual professional subscriptions (illustrated to the closest thousand).

4 Executives receive contributions to the Group Occupational Retirement Plan which is a defined contribution plan. Contributions reflected in the table are actual pension contributions of 5% in 2023 aligned to the then workforce average.

5 Under the Remuneration Policy, each Executive Director is eligible for a maximum annual bonus opportunity of 100% of salary, with any bonus earned in excess of 50% of salary deferred into shares that are subject to a holding period of 3 years. 2023 annual bonus awards were determined in accordance with this policy limit and deferral requirement. In 2022, the Executive Directors voluntarily elected to cap their 2022 annual bonus opportunity to 50% of salary to promote alignment with the wider workforce and to provide additional funding for the bonus pool to the rest of employees.

6 Estimated value of 2021 PSP award at £8.1367 per share being the average of the closing mid-market share price in the 3 day period ending 31 December 2023. 2020 PSP values have been restated to reflect actual vesting of awards based on a vesting share price of 748p. The share price on the date of grant was 421p, therefore £326,220, £237,676 and £44,662 of the CEO, CFO and COO's 2020 PSP 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.

2023 ANNUAL BONUS (UNAUDITED)

The table below summarises the annual bonus framework we applied for 2023 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	FINANCIAL MEASURES	STRATEGIC MEASURES
UNDERLYING EPS	STRATEGIC EXECUTION AND GROWTH	CASH CONVERSION	ESG, PEOPLE AND CULTURE
GROUP NET ORGANIC GROWTH	INVESTOR RELATIONS	EFFICIENT CAPITAL ALLOCATION	
EBITDA MARGIN	RISK AND COMPLIANCE	COMMERCIAL & OPERATIONAL EFFICIENCY IMPROVEMENTS	

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.

During 2023 JTC delivered their Galaxy era business plan, which resulted in a quadrupling of the size of the Group since listing in 2018. Each Executive Director was eligible for a maximum annual bonus opportunity of 100% of salary.

REMUNERATION REPORT CONTINUED

The Committee conducted a comprehensive review of performance achieved for each of the financial and non-financial measures. Overall, it was concluded that 2023 was a very successful year due to completing the Galaxy era two years ahead of schedule, marked by strong performance financially and execution against four categories (namely Strategic Execution and Growth; Investor Relations; Risk and Compliance; and ESG, People, and Culture).

BONUS SCORECARD – FINANCIAL MEASURES

The table below sets out performance against the financial targets under the annual bonus scorecard which comprise a weighting of 50% for the COO and 60% for the CEO and CFO 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	2023 PERFORMANCE
UNDERLYING EPS PERFORMANCE VERSUS FINANCIAL CONSENSUS	Lower quartile of average consensus range	Median of average consensus range	Upper quartile of average consensus range	Adjusted underlying EPS of 37.23p, achieving above target performance.
GROUP NET ORGANIC GROWTH	8%	9%	10%	Achieved Group net organic growth of 19.9%, exceeding maximum performance expectations
EBITDA MARGIN	33%	35%	38%	Achieved overall EBITDA margin of 33.4%, achieving threshold performance
CASH CONVERSION (IN LINE WITH GUIDANCE)	85%	87.5%	90%	106% cash conversion, exceeding maximum performance expectations
EFFICIENT CAPITAL ALLOCATION	ROIC / WACC < 1.25	ROIC / WACC ≥ 1.25	ROIC / WACC >=1.5	ROIC / WACC of 1.56, exceeding maximum performance expectations
COMMERCIAL & OPERATIONAL EFFICIENCY IMPROVEMENTS	Demonstrate sound strategic and commercial judgement in the acquisition selection process and effect swift integration strategies with demonstrable attention to individual workstream delivery and minimal impact to Business as Usual			<p>Progress made integrating South Dakota Trust Company in 2023, our largest acquisition by purchase price, which will significantly strengthen and scale JTC's US platform.</p> <p>In the process of acquiring Blackheath having received FCA approval. This will enhance JTC's service offering and bolster its presence in the important UK alternative asset management market. This has culminated in five new business opportunities with a total annual value of £500k.</p> <p>In line with our regional growth strategy, continued to expand our reach in Europe with a new office in Austria where it is set to generate £300k in revenue.</p>
	Demonstrate revenue uplifts / cross sales which supports organic growth			Continued to create opportunities for new revenue streams, which accounted for £6.5m in 2023.
	Demonstrate technology enabled solutions effecting commercial improvements			JTC has implemented over 5 new strategic technology solutions and related improvements to streamline global regulatory reporting, client due diligence, and client enquiry management, as well as to drive collaboration, efficiencies, and cost savings across the Company. These efforts, which are ongoing, are critical to establishing a globally consistent and integrated technology platform for JTC to support its growth in the Cosmos era.

REMUNERATION REPORT CONTINUED

BONUS SCORECARD – NON-FINANCIAL MEASURES

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	2023 GROUP OBJECTIVES
STRATEGIC EXECUTION AND GROWTH	<ul style="list-style-type: none"> ✓ JTC has quadrupled in size since listing in 2018, and its consistent track record of outperformance has led to the completion of its Galaxy era at the end of 2023, two years earlier than planned. ✓ 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 6.20% and 0.8% for the ICS and PCS divisions, respectively, when compared to 2022. This resulted in an overall improvement of 3.5% across both divisions, excluding new acquisitions. Particular growth was seen in Cayman and Jersey. The acquisition of the South Dakota Trust Company and the expansion of the existing business has notably fortified JTC's position in the U.S. ✓ JTC has implemented a number of technological platforms to accelerate growth and enhance JTC's service offerings across all lines of business to further position the Company for continued growth in the Cosmos era. ✓ Successful implementation of an organisation-wide operations and governance framework has significantly increased process visibility, facilitating consistent handling of project delivery and operational changes which highlights JTC's commitment for process improvements.
INVESTOR RELATIONS	<ul style="list-style-type: none"> ✓ JTC continued to establish deep relationships with institutional investors and other relevant capital markets participants, reinforce JTC's strategic vision and long-term investment case, as well as to promote an active and constructive dialogue about the business. ✓ During 2023, JTC retained all of its top 20 shareholders and expanded the geographic diversity of their register most notably with significant new investors from Europe and the U.S., which is a reflection of JTC's success and growth across these regions. New analyst coverage was initiated in 2023, which is a further reflection of JTC's reputation and the strong relationships it has established with the investment community. ✓ JTC continued to strengthen the quality of its financial reporting, including through the achievement of 100% compliance with all mandatory disclosure requirements, to provide stakeholders with clear, accurate, and informed communication. JTC has received "Brand of the Year" award from CityWealth, which is clear recognition of JTC's leading brand positioning in the private client market.
RISK AND COMPLIANCE	<ul style="list-style-type: none"> ✓ There were no material risk events or losses during 2023 despite a marked increase in the external risk environment predominantly related to geopolitical conflict, regulatory and technological changes, and increased volumes of cybercrime. This is reflective of the robust risk management protocols that are in place to mitigate material adverse risks (including commercial, regulatory, legal, reputation, and operational) so that they are appropriately identified and managed. ✓ The Risk Escalation Policy, which includes improved reporting metrics to assist with the ongoing management of escalated risks, is firmly embedded across the organisation and is the cornerstone of JTC's open and strong cultural approach to risk management. ✓ Building on the important foundational progress made in 2022, JTC evolved its globally integrated risk management framework through the implementation of a new strategic platform that bolsters risk management accountability, transparency, and effectiveness across the business, and by expanding its Internal Audit capabilities to ensure that it is well positioned for evolving stakeholder needs. ✓ JTC has continued to build upon strong regulatory relationships in all jurisdictions and received positive outcomes from routine regulatory inspections – a strong foundation and performance in light of the increased regulatory changes across the industry during 2023. Additionally, proactive relationship management helped maintain strong working relationships with stakeholder groups ensured more measured regulatory amendments in key markets.

REMUNERATION REPORT CONTINUED

NON-FINANCIAL METRICS

2023 GROUP OBJECTIVES

ESG, PEOPLE AND CULTURE

- ✓ During the year, JTC also continued to demonstrate its commitment to transparent ESG reporting by aligning ESG-related disclosures with the SASB standard and TCFD. JTC maintained its Carbon Neutral+ status, pledged to become Net Zero by 2030 by adopting the Science Based Targets Initiative framework, convened monthly sustainability forums to engage with key stakeholders and made a second voluntary submission to participate in the Carbon Disclosure Project to further demonstrate its commitment to ESG leadership. JTC continued to embed its ESG framework across the business, including increasing engagement with key ESG ratings agencies. ESG Services was rebranded to Sustainability Services to better align with key target markets and win new business in the European corporate market. JTC conducted a second annual global employee survey to collect feedback on JTC's Shared Ownership culture, workplace, strategy, and culture of recognition. The overall scores, including response rates, understanding of JTC's future growth plans, and Net Promoter Scores improved.
- ✓ Completed the second phase of a comprehensive talent profiling and succession planning exercise across the organisation (Project Talisman), a key priority of the Galaxy era, as well as a global review of compensation and benefits to enable better and more targeted ways to address talent risks in response to a hyper competitive talent market.
- ✓ Among other initiatives, established the Employee Voice Forum, completed the second annual global employee survey, and improved focus on wellbeing initiatives to enhance employee engagement.
- ✓ Employee turnover (for regretted leavers) improved by 3.8%, below the self-imposed benchmark of 10%, demonstrating JTC's strong employee retention across all jurisdictions.
- ✓ Continued to reinforce JTC's distinctive 'Ownership for All' culture: maintained 100% employee share ownership which is a benefit that is highly valued by the vast majority of employees.
- ✓ JTC continued to drive and automate the global implementation of Divisional Balanced Scorecards across the organisation to facilitate goal alignment in order to support strategic execution throughout the Cosmos era.

2023 ANNUAL BONUS OUTCOMES FOR EXECUTIVE DIRECTORS

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 and incorporates expected behaviours. The Committee awarded a score of 9.0 out of 10 for the CEO and CFO and 8.5 out of 10 for the COO.

The table below sets out the 2023 bonus outturns:

BONUS % AWARD	TOTAL SCORECARD PERFORMANCE GRADE				
	6	7	8	9	10
All Executives based on Policy Maximum	30%	50%	67%	83%	100%

The following table sets out the outcome of the 2023 annual bonus, based on the total scorecard performance grade:

	MAX OPPORTUNITY (% OF SALARY)	OUTTURN (% OF SALARY)	OUTTURN ¹ £	AMOUNT SUBJECT TO DEFERRAL ^{1,2} £
NIGEL LE QUESNE	100%	83%	409	162
MARTIN FOTHERINGHAM	100%	83%	293	116
WENDY HOLLEY	100%	75%	205	68

1 Figures are shown to the nearest thousands.

2 The Remuneration Policy states that any bonus earned in excess of 50% of salary is deferred into shares on a net of tax basis for 3 years.

REMUNERATION REPORT CONTINUED

PSP AWARDS VESTING IN 2023 (UNAUDITED)

The 2021 PSP award is subject to Relative TSR and EPS performance conditions, ending on 31 December 2023. We have set out the final vesting and performance assessment details below.

- The relative TSR performance condition underscores our commitment to share price outperformance. Median TSR performance versus the FTSE 250 Index (excluding real estate and investment trusts) results for threshold vesting (i.e. 25% of maximum), rising to full vesting for upper quartile performance. JTC's TSR performance to 31 December 2023 was positioned at the 88th percentile. As such, there is 100% vesting of the relative TSR element.
- The EPS performance condition was originally set with reference to available analyst forecasts. EPS of 30p results in threshold vesting (i.e. 25% of maximum) and EPS of 37.5p qualifies for full vesting. For the year ending 31 December 2023, JTC's underlying EPS was 37.23p and as such this element of the award qualified for 97.3% vesting.

The table below summarises the vesting outcomes based on performance assessed for each measure over the performance period ended 31 December 2023.

	PERFORMANCE MEASURES		INDICATIVE VESTING (% OF ELEMENT)	TOTAL INDICATIVE VESTING (% OF MAXIMUM)	TOTAL INDICATIVE VESTING (NO. SHARES)
	MEASURE	WEIGHTING			
Nigel Le Quesne	TSR	50%	100%	98.7%	98,123
	EPS	50%	97.3%		
Martin Fotheringham	TSR	50%	100%	98.7%	71,489
	EPS	50%	97.3%		
Wendy Holley	TSR	50%	100%	98.7%	54,476
	EPS	50%	97.3%		

2023 PSP AWARDS (UNAUDITED)

During the year ended 31 December 2023, Executive Directors received a conditional award of shares which may vest after a three-year performance period ending on 31 December 2025, 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) ¹	MAX. AWARD ^{2,3} (£)	NO. SHARES	PERFORMANCE MEASURES		VESTING DATE	HOLDING PERIOD ENDS ⁴
				MEASURE	WEIGHTING		
Nigel Le Quesne	200%	985	139,187	TSR	50%	01.01.2026	2028
				EPS	50%		
Martin Fotheringham	175%	705	99,646	TSR	50%	01.01.2026	2028
				EPS	50%		
Wendy Holley	175%	546	77,243	TSR	50%	01.01.2026	2028
				EPS	50%		

¹ As disclosed in the 2022 Remuneration Report, the Committee determined that a PSP award of 200% of salary (which is above the normal maximum opportunity of 150% of salary but within the exceptional limit of 250% of salary permitted by the Remuneration Policy) was appropriate given the exceptional performance and growth in the scale of the business, sufficient stretch in the performance targets which reflect the goal of doubling again the size of the business, as well as the market dynamics and the competition of talent.

² Face value of award based on the 3-day average share price to 11 April 2023 being £7.12.

³ Figures are shown to the nearest thousands.

⁴ Executive Directors are required to hold vested awards for an additional 2 years following vesting this will 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.

REMUNERATION REPORT CONTINUED

The targets for the 2023 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		PERFORMANCE OVER THE PERIOD		
		% OF ELEMENT VESTING		% OF ELEMENT VESTING	
TSR vs. FTSE 250 index (excluding real estate and investment trusts)	Below Median	0%	Underlying EPS Straight-line vesting occurs between points	Below 34.7p per share	0%
	Equal to Median	25%		Equal to 34.7p per share	25%
	Equal or Exceeds Upper Quartile	100%		Exceeds 43.4p per share	100%

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

As at 31 December 2023 the Directors have significant shareholdings in the Company, as follows:

	UNVESTED SHARES			% INTEREST IN VOTING RIGHTS	REQUIREMENT (% OF SALARY)	SHAREHOLDING	
	SHARES LEGALLY OWNED AS AT 31 DECEMBER 2023 ¹	WITH PERFORMANCE CONDITIONS	WITHOUT PERFORMANCE CONDITIONS			SHARE-HOLDING AS AT 31 DECEMBER 2023 (% OF SALARY) ²	REQUIREMENT MET?
	PSP AWARDS	DBSP AWARDS					
EXECUTIVE DIRECTORS							
Nigel Le Quesne^{2,3}	10,791,754	222,249	–	7.24%	150%	17,840.98%	Yes
Martin Fotheringham^{2,4}	738,831	160,162	–	0.50%	150%	1,706.23%	Yes
Wendy Holley^{2,5}	417,203	123,357	–	0.28%	150%	1,243.48%	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
Kate Beauchamp	14,285	n/a	n/a	0.01%	n/a	n/a	n/a

1 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 2023 to the date of this Report.

2 The average of the closing mid-market share price in the 3-day period ending 31 December 2023 was £8.14.

3 On 6 April 2023, Nigel Le Quesne received 99,762 shares which vested under the PSP.

4 On 6 April 2023, Martin Fotheringham received 72,684 shares which vested under the PSP. On 25 September 2023, Martin Fotheringham sold 100,000 shares on the open market.

5 On 6 April 2023, Wendy Holley received 13,658 shares which vested under the PSP.

6 On 8 April 2024, the vesting of awards granted to Executive Directors under the PSP in April 2021 was confirmed as follows: Nigel Le Quesne 99,466, Martin Fotheringham 72,467 and Wendy Holley 55,221. The vested shares remain subject to a 2-year holding period from vesting.

REMUNERATION REPORT CONTINUED

TOTAL SHARE AWARDS GRANTED (UNAUDITED)

The table below sets out details of the Executive Directors' outstanding share awards as at 31 December 2023.

	AWARD	NO. SHARES ^{1,2}	MAX. AWARD AS % OF SALARY	VALUE AT DATE OF GRANT ³	% VESTING AT THRESHOLD PERFORMANCE	VEST DATE ⁴	HOLDING PERIOD ENDS ⁵
Nigel Le Quesne	PSP 2021	99,466	150%	653	25%	01.01.2024	2026
	PSP 2022	83,062	150%	671	25%	01.01.2025	2027
	PSP 2023	139,187	200%	985	25%	01.01.2026	2028
	Total	321,715					
Martin Fotheringham	PSP 2021	72,467	150%	475	25%	01.01.2024	2026
	PSP 2022	60,516	150%	489	25%	01.01.2025	2027
	PSP 2023	99,646	175%	705	25%	01.01.2026	2028
	Total	232,629					
Wendy Holley	PSP 2021	55,221	150%	362	25%	01.01.2024	2026
	PSP 2022	46,114	150%	373	25%	01.01.2025	2027
	PSP 2023	77,243	175%	547	25%	01.01.2026	2028
	Total	178,578					
Total	732,922						

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 3 days immediately preceding days prior to the date of grant (2021: £6.56, 2022: £8.08, 2023: £7.12).

3 Figures are shown to the nearest thousands.

4 The end of the performance period for all PSP awards is on the third anniversary of the date of Grant. Awards granted will vest the day after the performance period ends. The Committee will determine the extent to which performance conditions have been satisfied as soon as is practicable following the end of the performance period based on final and audited year-end financial results, as applicable.

5 Executive Directors are required to hold vested awards for a period of at least 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 (UNAUDITED)

No loss of office payments were made during the year.

PAYMENTS TO PAST DIRECTORS (UNAUDITED)

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 Board Chair. 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.

REMUNERATION REPORT CONTINUED

RELATIVE SPEND ON PAY

The table below shows the relative 2023 expenditure of dividends against employee costs compared to 2022. These figures are derived from the Notes to the Financial Statements (see note 27 on page 146).

YEAR-ON-YEAR INCREASES	2023	2022 ¹	ANNUAL INCREASE %
Dividends paid in Financial Year	£16m	£11.8m	35%
Total Employee Costs	£131.8m	£105.8m	25%

1 Total employee costs for 2022 include £4.8m in relation to the EIP award granted by the Board in July 2021.

ALIGNMENT BETWEEN PAY AND PERFORMANCE

TOTAL SHAREHOLDER RETURN ("TSR") PERFORMANCE

The following graph shows, for the financial year period ended 31 December 2023 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 ascent to the FTSE 250 on 16 November 2020.

The TSR graph represents the daily value of £100 invested in JTC Group on 14 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 199% which is significantly more than both the FTSE 250 (14% growth) and FTSE Small Cap (33% growth). This strong growth continues to reinforce JTC's solid investment case since JTC's admission to the FTSE 250 Index in November 2020.

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 earned annual variable and long-term incentive pay awards as a percentage of the plan maximum.

	2018	2019	2020	2021	2022	2023
Single total figure of remuneration ¹	538	631	1,019	1,325	1,421	1,727
Annual bonus award against maximum %	80%	67% ²	42% ²	30% ³	40% ³	83% ⁴
PSP vesting rates against maximum opportunity %	n/a	n/a	100% ⁵	86% ⁵	100% ⁵	98.7% ⁵

1 Single total figure of remuneration has been rounded to the nearest thousands.

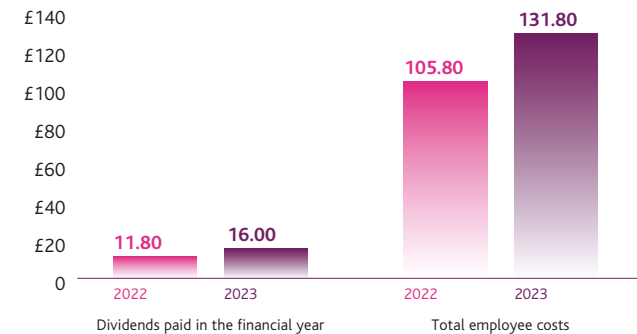
2 Represents the value of the annual bonus following the voluntary reduction by the CEO. In 2020 and 2019, the CEO waived part of his bonus (representing c.38% and 15% of salary in each of the respective years) in order to better align with the remuneration outcomes for the wider workforce; the funds waived were reinvested in the wider bonus pot for employees.

3 The Executive Directors elected to cap their 2022 and 2021 annual bonus opportunity to 50% and 40% of salary, respectively. The bonus outturn for the CEO in 2022 was 40% of salary and in 2021 was 30% of salary; the maximum shown here reflects the outturn against the policy maximum of up to 100%.

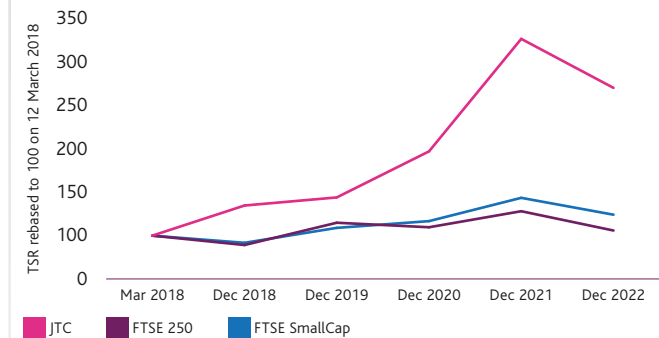
4 Under the Remuneration Policy, each Executive Director is eligible for a maximum annual bonus opportunity of 100% of salary, with any bonus earned in excess of 50% of salary deferred into shares that are subject to a holding period of 3 years. 2023 annual bonus awards were determined in accordance with this policy limit and deferral requirement.

5 Reflects the final PSP vesting of the 2018, 2019, 2020 and 2021 PSP awards.

RELATIVE IMPORTANCE OF SPEND ON PAY



JTC'S TSR vs. FTSE SMALL CAP AND FTSE 250



REMUNERATION REPORT CONTINUED

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.

- The Executive Directors received salary increases within the year which were below the workforce average salary increase of approximately 11% and represented the first significant salary adjustment since JTC's IPO in 2018. Changes in benefits reflect the year-on-year changes in the cost for the same benefits and specifically for Wendy Holley, reflects a reduction in the level of private medical insurance benefit cover. In line with the Policy, 2023 annual bonus awards were determined with reference to the shareholder-approved maximum opportunity of 100% of salary, which was determined to be appropriate in light of the successful and early completion of the Galaxy era two years ahead of schedule. This maximum opportunity has not changed since the Policy was approved in 2021; the year-over-year increase shown is due to the Executive Directors previously electing to cap their annual bonus opportunity to 50% of salary to promote alignment with the wider workforce.
- There were no changes to non-executive director fees year-over-year.
- The number of employees in the UK has more than quadrupled since 2020. As such, the data set of UK employees is sensitive to year-over-year changes given that historically the number of employees in the UK has been relatively small. Increases in benefits costs reflect this sensitive sample set and the year-on-year change in the running costs of providing these benefits. Annual bonuses for the workforce have increased year-on-year as have salary increases which reflected cost of living, inflation, and other critical adjustments made throughout the year to aid talent attraction and retention in response to a competitive labour market.

	2023		
	SALARY %	BENEFITS %	ANNUAL BONUS %
EXECUTIVE DIRECTORS			
Nigel Le Quesne	10.0%	11.4%	37.5%
Martin Fotheringham	8.1%	11.4%	63.8%
Wendy Holley	9.9%	-19.1% ¹	119.9%
NON-EXECUTIVE DIRECTORS			
Mike Liston	n/a	n/a	n/a
Dermot Mathias	n/a	n/a	n/a
Michael Gray	n/a	n/a	n/a
Erika Schraner	n/a	n/a	n/a
Kate Beauchamp ²	n/a	n/a	n/a
Average pay for UK employees	7.7%	10.8%	20.4%

¹ The year-on-year decrease reflects reduction in the level of private medical insurance benefit cover for Wendy Holley.

² Kate Beauchamp was appointed as Non-Executive Director on 24 March 2022 and fees were prorated accordingly last year. There has been no year-on-year increase.

REMUNERATION REPORT CONTINUED

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 2023.

YEAR	METHOD	25TH PERCENTILE PAY RATIO	MEDIAN PAY RATIO	75TH PERCENTILE PAY RATIO
2023	Total FTE Remuneration for all UK Employees	45	32	20
2022 ¹	Total FTE Remuneration for all UK Employees	40	29	16

¹ Figures have been restated to account for changes to the single figure in 2022 in relation to the calculation of PSP.

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 salary 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 number of JTC working in the UK grows.

This analysis shows that the CEO's pay is 32x greater than the median average of JTC's UK employees. The CEO pay ratio has increased year-over-year primarily due to the annual bonus awarded in line with the maximum opportunity of 100% of salary in 2023, compared to 2022 when all Executive Directors including the CEO elected to cap their annual bonus opportunity to 50% of salary, as described earlier in this report. The small subset of employees in the UK which make up the pay quartiles are sensitive to changes in incumbents and potential future volatility in the ratios due to changes in JTC's financial and share price performance.

REMUNERATION REPORT CONTINUED

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

The table below sets out the total remuneration payable to each Non-Executive Director for the year ended 31 December 2023.

SINGLE TOTAL FIGURE OF REMUNERATION ¹		BOARD CHAIR	BASE	SID	AUDIT & RISK COMMITTEE CHAIR ¹	REMUNERATION COMMITTEE CHAIR ¹	NOMINATION COMMITTEE CHAIR ¹	GOVERNANCE & RISK COMMITTEE CHAIR ¹	TOTAL ¹
Mike Liston	2023	120	n/a	n/a	n/a	n/a	n/a	n/a	120
	2022	120	n/a	n/a	n/a	n/a	n/a	n/a	120
Dermot Mathias	2023	n/a	60	10	10	n/a	n/a	n/a	80
	2022	n/a	60	10	10	n/a	n/a	n/a	80
Michael Gray	2023	n/a	60	n/a	n/a	10	n/a	n/a	70
	2022	n/a	60	n/a	n/a	10	n/a	n/a	70
Erika Schraner	2023	n/a	60	n/a	n/a	10	n/a	n/a	70
	2022	n/a	60	n/a	n/a	10	n/a	n/a	70
Kate Beauchamp²	2023	n/a	60	n/a	n/a	n/a	n/a	5	65
	2022	n/a	47	n/a	n/a	n/a	n/a	0	47

¹ Figures are shown to the nearest thousands throughout the single figure table.

² Kate Beauchamp was appointed as Non-Executive Director on 24 March 2022 and fees were prorated accordingly. The Governance and Risk Committee was established on 9 December 2022 and Kate Beauchamp's fees as the Chair of the Governance and Risk Committee were prorated accordingly in 2022.

REMUNERATION REPORT CONTINUED

IMPLEMENTATION OF THE REMUNERATION POLICY DURING 2024

This section provides details of how the Remuneration Policy, if approved by shareholders at the 2024 AGM, will be implemented for 2024.

BASE SALARY

When determining the executive salary increases for 2024, the Committee was mindful of the wider workforce, the individual contributions of the Executive Directors, JTC's outstanding growth and shareholder returns since the IPO and significant remuneration compression across the business, including at the management and executive levels. The Committee also took into account the pay levels of wider FTSE 250 market and companies in the financial services sector (excluding Banks).

The Committee approved salary increases for 2024 of 6.4% for the CEO, CFO, and COO. These salary increases are aligned with the workforce average salary increase of approximately 6.4%. The Committee considers these increases to be critical to ensuring that remuneration is set at levels which are competitive externally and fair compared to other senior management roles within the Company taking account of internal relativities.

The Committee will keep executive remuneration arrangements under review to ensure that they remain market competitive, internally and externally, and commensurate with the growth in scale and complexity of the business.

EXECUTIVE DIRECTOR	BASE SALARY	EFFECTIVE DATE	INCREASE	REASON
Nigel Le Quesne	£523,889	1 January 2024	6.4%	Aligned with the wider workforce
Martin Fotheringham	£375,060	1 January 2024	6.4%	Aligned with the wider workforce
Wendy Holley	£290,738	1 January 2024	6.4%	Aligned with the wider workforce

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. Following JTC's global pension review which was undertaken in the last quarter of 2023, the average employer contribution rate in the UK and Jersey for employees including all Executive Directors was aligned to 7%, effective 1 January 2024. JTC remains committed to ensuring alignment of pension contributions for incumbent Executives, future Executive Directors, and the wider workforce.

ANNUAL BONUS

Subject to shareholder approval of the Policy at the 2024 AGM, Executive Directors will have a maximum annual bonus opportunity for 2024 of up to 150% of salary.

Annual bonus performance measures will be aligned with JTC's Group business plan (Cosmos era) to incentivise the achievement of annual delivery targets. The specific measures, targets and weightings, including those related to ESG, will reflect the priorities of the Cosmos era. The Executive Directors' specific targets under each performance category are considered commercially sensitive and as such will be reported in the following financial period.

REMUNERATION REPORT CONTINUED

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. All Executive Directors have shared financial measures to reinforce a common focus on creating shareholder value and to align with best practice. Non-financial performance categories will remain broadly consistent year-over-year.

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	✓	✓	✓

PERFORMANCE SHARE PLAN

Subject to shareholder approval of the Policy at the 2024 AGM, Executive Directors will have a maximum long-term incentive plan opportunity for 2024 of up to 200% of salary for the CEO and 175% for other Executive Directors. PSP vesting, if any, is subject to very stretching levels of performance linked to JTC's TSR performance (which for this award will be relative to the FTSE 250 Index, excluding real estate and investment trusts) and EPS performance from 2024 to 2026.

PSP awards will be made in May 2024, subject to shareholder approval of the policy at the 2024 AGM. 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 2024. Actual award values and shares granted will be disclosed in next year's Annual Report.

GROUP FINANCIAL METRICS	% OF SALARY	PSP VALUE ¹ £	TSR	EPS
Nigel Le Quesne	200%	1,048	50%	50%
Martin Fotheringham	175%	656	50%	50%
Wendy Holley	175%	509	50%	50%

¹ Figures are shown to the nearest thousands.

REMUNERATION REPORT CONTINUED

These performance share awards will be subject to 3-year targets for the following measures: relative TSR and underlying EPS. The targets for the 2024 PSP award are outlined below:

	PERFORMANCE OVER THE PERIOD				PERFORMANCE OVER THE PERIOD		
		% OF ELEMENT VESTING				% 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 41.84p per share	0%	Straight-line vesting occurs between points
	Equal to Median	25%			41.84p per share	25%	
	Equal or Exceeds Upper Quartile	100%			Equal to or exceeds 52.31p per share	100%	

SHAREHOLDING REQUIREMENTS

In line with the proposed increase to the maximum PSP opportunity, the CEO, CFO, and COO will be required to build or maintain a shareholding requirement equivalent to 200% of salary, 175% of salary, and 175% of salary, respectively. All the Executive Directors comply with this increased requirement. To align with the requirements of the UK Corporate Governance Code and emerging best practices, the Committee has adopted 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.

NON-EXECUTIVE DIRECTORS' FEES FOR 2024

The Committee last reviewed Non-Executive Director fees in 2023. Due to the recent review of the fees, Non-Executive Directors were awarded an increase to base fee. The increase was based on a review of FTSE 250 market rates and the increased expected time of commitment. The table below summarises fees for 2024:

FEES ¹	WITH EFFECT FROM 1 JANUARY 2024	FEES PRIOR TO 1 JANUARY 2024
Board Chair	120	120
Base	70	60
SID	10	10
Audit Committee Chair	10	10
Remuneration Committee Chair	10	10
Nomination Committee Chair	10	10
Governance And Risk Committee Chair	5	5

1 Figures are shown to the nearest thousands throughout the table.

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 6 months' notice from the Group and 6 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 CHAIR

8 April 2024

DIRECTORS REPORT

DIRECTORS REPORT

INTRODUCTION

The Directors present their report, together with the Audited Financial Statements of the Group for the year ended 31 December 2023.

The Company is public company incorporated in Jersey and is listed on the London Stock Exchange main market with a premium listing.

The Company is not subject to the UK Companies Act 2006, however, this report has been prepared in line with the provisions of the Act, with the exception of certain sections of the remuneration reporting, and the Governance Report and the shareholder and corporate information section form part of the Directors' report. The Strategic Report includes an indication of the likely future developments of the business, commercial activities of the Group and details of important events affecting the company. The Governance Report can be found on pages 66 to 166 and is deemed to be incorporated into this Directors' Report by reference. Further disclosure requirements contained in the Financial Conduct Authority's (FCA) Listing Rules and the Disclosure Guidance and Transparency Rules, which are deemed to form part of the management report can be found on the following pages of the Annual Report for the year ended 31 December 2023, and are incorporated into this Directors' Report by reference to pages:

- Acquisitions and disposals – 18 to 19.
- Awards under employee share schemes and long-term incentive schemes – 105 and 158 to 160.
- Corporate Governance Statement including internal control and risk management statements – 67, 84 to 85.
- Statement of Directors' Responsibilities, including disclosure of information to the Auditor – 116
- Disclosure of Greenhouse Gas (GHG) emissions – 51

- Employment policy and employee involvement – 42
- Engagement with employees, suppliers, customers and others – 73 to 74
- Environmental, social and governance (ESG) matters – 35 to 54
- Financial risk management and financial instruments – 133 to 134
- Future developments in the business – 16 to 18
- Post Balance Sheet events – 161
- Commercial activities – 10 to 33
- Shareholder information – 165
- Sustainability and corporate responsibility – 35 to 54
- Viability Statement – 64
- Charitable donations – 48
- Subsidiary undertakings – 155
- Information on the Board's stakeholder engagement and activities is set out in the s172 Statement, which can be found on pages – 73 to 74

There is no additional information requiring disclosure under Listing Rule 9.8.4R.

RESULTS AND DIVIDENDS

The Consolidated Income Statement can be found on page 123. The profit for the year attributable to equity shareholders of the company amounted to £21.8 million. The Directors resolved to pay an interim dividend of 3.5 pence per ordinary share (2022: 3.1 pence, which was paid to shareholders on 20 October 2023). The Directors recommend a final dividend for the year of 7.67 pence per share (2022: 5.07 pence) which, together with the interim dividend, makes a total dividend for the year of 11.17 pence per share (2022: 9.98 pence). During the year no shareholders waived their right to receive dividend payments. The final dividend, if approved by the shareholders at the forthcoming Annual General Meeting (AGM) of the company, will be paid on 28 June 2024 to shareholders on the register at the close of business on 31 May 2024.

DIRECTORS

The directors' names, biographical details, and skills and experience are shown in the Board of directors section (pages 68 and 69).

Particulars of directors' remuneration, service contracts and interests in the Company's ordinary shares are shown in the Report on directors' remuneration (pages 87 to 112).

In line with the UK Corporate Governance Code, as at the date of this report, all directors, being eligible, will offer themselves for re-election at the 2023 AGM. An evaluation of the performance of the Board, its committees and individual directors was carried out during the financial year. The Board is satisfied that all directors seeking re-election contribute effectively and demonstrate commitment to their roles. The Corporate governance report contains further details of the evaluation process.

During the year and up to the date of approval of this Annual Report, the Company maintained liability insurance and third-party indemnification provisions for its directors and officers.

Both the Company, by ordinary resolution, and the directors, may elect any person to be a director. The number of directors shall not exceed the maximum number fixed by the Company's articles of association. Any person appointed by the directors shall hold office only until the next AGM and shall then be eligible for election. The office of a director shall be vacated on the occurrence of any of the events listed in article 141 of the Company's articles of association. The Company may, in accordance with its articles of association, remove any director from office and elect another person in their place.

DIRECTORS' INTERESTS

A statement of Directors' interests in the share capital of the company is shown on page 104 of the Directors' Remuneration Report. Details of Executive Directors' contingent share awards are included on page 105 in the Directors' Remuneration Report. During the year, none of the Directors had a material interest in any derivative or financial instrument relating to the company's shares. Details of the Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 87 to 112. No Director has a material interest in any 'contract of significance' (as defined by the FCA) to which the company, or any of its subsidiary undertakings, is a party as at 31 December 2023.

SHARE CAPITAL

The rights and obligations attaching to the ordinary shares are set out in note 26 to the Company financial statements and in the Company's articles of association. Copies of the Articles of Association are available upon request from the Group Company Secretary, and at JTC's AGM.

As at 31 December 2023, the company's issued share capital consisted of 165,521,678 ordinary shares of 1 pence each of which none were held in Treasury. Each share carries the right to one vote at general meetings of the company. Details of changes to the ordinary shares issued and of awards granted during the year are set out in Notes 26 and 36 to the Financial Statements. The rights and obligations attached to the ordinary shares are contained in the company's Articles. There are no restrictions on the voting rights attached to the company's ordinary shares or the transfer of securities in the company except in the case of transfers of securities:

DIRECTORS' REPORT CONTINUED

- That certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws);
- Pursuant to the Company's Employee Share Dealing Policy and Code whereby all Directors and employees of the Company require the prior approval of the Company to deal in the Company's ordinary shares; and
- Pursuant to the Listing Rules of the United Kingdom Listing Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares and must publicly disclose such share dealings.
- As described in the Report on directors' remuneration, non-executive directors must hold a proportion of their fees in shares, equal to their annual fee. These shares may not normally be transferred during their period of office.
- 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.
- Shares carry no voting rights while they are held in treasury.
- Unless the directors determine otherwise, members are not entitled to vote personally or by proxy at a shareholders' meeting, or to exercise any other member's right in relation to shareholders' meetings, in respect of any share for which any call or other sum payable to the Company remains unpaid.

- Unless the directors determine otherwise, members are not entitled to vote personally or by proxy at a shareholders' meeting, or to exercise any other member's right in relation to shareholders' meetings, if the member fails to provide the Company with the required information concerning interests in those shares, within the prescribed period after being served with a notice under the Company's articles of association.

No person holds securities in the company which carry special voting rights with regard to control of the company. The company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

ALLOTMENT OF SHARES

At the 2023 AGM, authority was granted to the Directors to allot shares or grant rights to subscribe for, or convert any security into shares of the company. The authority granted to the Directors will expire at the conclusion of this year's AGM. At the 2024 AGM, a resolution will be proposed to the shareholders to renew the Directors' authority to allot equity shares representing approximately one-third of the company's issued share capital as at the latest practicable date prior to the publication of the Notice of AGM. In accordance with the Investment Association Share Capital Management Guidelines, Directors will once again seek authority to allot further ordinary shares, in connection with a pre-emptive offer by way of a rights issue, up to a further one-third of the company's existing issued share capital on the same date. The authorities sought would, if granted, expire at the earlier of six months after the company's next accounting reference date, or at the conclusion of the AGM of the company held in 2025, whichever is the sooner.

Under the Articles of Association shareholders have a right of first refusal in relation to certain issues of new shares.

At the 2023 AGM shareholders approved the authority to allot Equity Securities for cash without application of the pre-emption rights contained in Article 10 of the Articles equivalent to approximately 10% of the issued Ordinary Share capital of the Company, together with an additional 10% for transactions which the Board determines to be either an acquisition or a specified capital investment as defined by Pre-Emption Group's updated Statement of Principles, such authority remaining in place until the conclusion of the AGM to be held in 2024.

A special resolution will also be proposed to renew this authority consistent with the provisions of the Pre-Emption Group's updated Statement of Principles to: (i) disapply pre-emption rights on up to 10 per cent of the issued share capital; and (ii) disapply pre-emption rights for an additional 10 per cent for transactions which the board determines to be either an acquisition or a specified capital investment as defined by the Statement of Principles. This authority is sought is in line with institutional shareholder guidance and, in particular, with the Pre-Emption Group Principles issued in November 2022 and will maintain the Company's flexibility in relation to future share issues, including issues required to finance acquisition opportunities, should appropriate circumstances arise.

AUTHORITY TO PURCHASE OWN SHARES

Authority was granted to the Directors at the 2023 AGM to repurchase shares in the market and this authority remains valid until the conclusion of this year's AGM. There were no share repurchases during 2023. At the 2024 AGM, the Directors will seek to renew the authority granted to them. Such authority, if approved, will be limited to a maximum of 10% of the company's issued ordinary share capital (excluding treasury shares) calculated as at the latest practicable date prior to publication of the Notice of AGM, and sets the minimum and maximum prices which may be paid.

CHANGE OF CONTROL AND SIGNIFICANT AGREEMENTS

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company following a takeover, such as commercial contracts, bank agreements, property lease arrangements and employee share plans. There are no significant agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, except that provisions of the company's share plans may cause awards granted under such plans to vest on a takeover, and if the employment of an Executive Director or other employee is terminated by the Company following a takeover then there may be an entitlement to appropriate notice and/or compensation as provided in applicable contracts or terms of employment. There is no information that the Company is required to disclose about persons with whom it has contractual or other arrangements with, which are essential to the business of the Company.

EMPLOYEES

During 2023, the Group employed an average of 1,800 (2022: 1,500) employees worldwide, of whom less than 250 were employed in the UK. The Group is committed to the principle of equal opportunity in employment: no applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, religion, race, ethnicity, disability, sexual orientation or any other protected characteristics. Employment applications are considered on the basis of a person's aptitude and ability, and fair consideration is given to all applications regardless of nationality, age, gender, religion, race, ethnicity, disability, sexual orientation, or any other protected characteristics. Where an employee has an existing disability or becomes disabled during their employment, every practical effort is made to assist the employee in continuing their employment and arranging appropriate training. All employees, including those with a disability, are treated in a fair and inclusive way throughout their careers, whether that means accessing training, development opportunities or when seeking career progression. It is essential to the continued

DIRECTORS' REPORT CONTINUED

improvement in performance, efficiency and productivity throughout the Group that each employee understands the Group's strategies, policies and procedures. Open and regular communication with employees at all levels is an essential part of the organisational performance management process. The Group operates multi-dimensional two-way internal communications programmes which include the provision of a Group intranet and the publication of regular Group updates.

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.

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.

Opinions of employees are sought on a variety of issues through mechanisms including global surveys, opinion polls, team meetings and feedback forums. Further information on the Group's employee engagement activities is included on pages 40 to 42 and page 73. A continuing programme of training and development reinforces the Group's commitment to employee development. The Group provides all employees with

equal opportunities and the Freedom to Succeed at work and recognises the importance of employee health and wellbeing. JTC's leadership behaviours and core values create an environment for employees to act with integrity, responsibility and consistency in line with our purpose, to help maximise the potential of every client, colleague and partner we work with, as set out on pages 2 to 54.

EMPLOYEE MATTERS, INCENTIVES AND SHARE OWNERSHIP

Group incentive schemes reinforce financial and economic factors affecting the performance of the business. Employees typically have five to seven performance objectives which are directly linked to their job and their specific contribution to the overall performance of the Group. In addition, presentations, videos and Q&A sessions are held for employees around the world on publication of the Group's financial results to provide employees with awareness of the financial and economic factors affecting the company's performance, and so that employee views are fed back to management and taken into account when decisions are made.

The Company operates an all-employee incentive share plan. Through this scheme, the Board aims to ensure that all employees become shareholders and participate and benefit from the Group's employee share ownership culture, should they so wish. Further details on our employee share plans and awards made under executive share plans can be found in Note 36 on pages 158 to 160 of the Financial Statements.

POLITICAL DONATIONS

During the year, the Company did not make any political donations, nor were any contemplated.

FINANCIAL INSTRUMENTS AND RISK

The financial risk management objectives and policies of the Group are set out in Note 29, from page 148 of the Financial Statements. The Note sets out information on the company's policy for hedging each major type of forecasted transactions for which hedge accounting is

used, and our exposure to currency, price risk, credit risk, liquidity risk and cash flow risk in relation to the use of financial instruments.

AMENDMENT TO ARTICLES OF ASSOCIATION

Any amendments to the Articles may be made in accordance with the provisions of the Companies Law by special resolution of the shareholders.

INDEPENDENT AUDITOR

The External Auditor, PwC, has indicated its willingness to continue in office and a resolution proposing the reappointment of PwC, and to authorise the Audit Committee to determine its remuneration for the financial year ending 31 December 2023, will be proposed at the forthcoming AGM. In accordance with the Articles of Association, each of the Directors holding office at the date of this report confirm that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he or she has taken all reasonable steps to ascertain any relevant audit information and to ensure that the company's auditor is aware of that information.

SUBSTANTIAL SHAREHOLDINGS

As at 31 December 2023, pursuant to DTR 5 of the FCA's Disclosure Guidance and Transparency Rules the Company had received the following notices of substantial interests (5% or more) in the total voting rights of the company:

SHAREHOLDER	% INTEREST IN VOTING RIGHTS
Nigel Le Quesne	6.52
abrdn	6.45
Liontrust Asset Management	6.23
Invesco	5.65

As at 5 April 2024, the company has not received any further notifications under DTR 5 of the Disclosure Guidance and Transparency Rules.

APPLICATION OF THE UK CORPORATE GOVERNANCE CODE 2018

We report against the requirements of the Code issued by the Financial Reporting Council. Details of how the Company has applied the Code principles and provisions can be found in the Governance Report on pages 66 to 116.

LISTING RULE 9.8.4

For the purposes of Listing Rule 9.8.4C R, the information required to be disclosed by Listing Rule 9.8.4 R can be found in the following locations: details of long-term incentive schemes as required by LR 9.4.3 R pages 87 to 112.

ANNUAL GENERAL MEETING (AGM)

The forthcoming AGM of JTC plc will be held on 21 May 2024 at 10am at JTC House, 28 Esplanade, St. Helier, Jersey, JE2 3QA. A separate Notice of Meeting, setting out the resolutions to be proposed to shareholders, is available at www.jtcgroup.com/investors/annual-general-meeting/. The Board considers that each of the resolutions is in the best interests of the company and the shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do so in respect of their own beneficial holdings.

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

8 April 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. Under that law they have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) 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 Company and of the Group's profit or loss for that period.

In preparing each of the Group and Company Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable and, in respect of the Company Financial Statements only, prudent;
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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 its Financial Statements comply with the Companies Law. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect 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 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. In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the Financial Statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report of these Financial Statements provides no assurance over the ESEF format.

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

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; and
- the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Approved by the Board on 8 April 2024 and signed on its behalf by:

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

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 2023, 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 2023;
- 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, comprising material accounting policy information 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.

OUR AUDIT APPROACH OVERVIEW

AUDIT SCOPE

- Group audit scoping was performed based on profit before tax which identified sixteen significant components covering more than 80% of group's profit before tax.
- In determining the significant components, we also considered revenue and work in progress ("WIP") as secondary benchmarks, ensuring that the sixteen significant components also covered more than 75% of these financial statement line items at a consolidated level. Additional factors were also considered, including common reporting processes and regulatory requirements to identify whether any additional components should be scoped in.
- The group is headquartered in Jersey, Channel Islands where the group financial reporting functions are located. Trading subsidiaries are based in Africa, Americas, the Caribbean, Middle East, Asia and Europe.
- We conducted the majority of our audit work in Jersey, with audit work also undertaken by component auditors in Luxembourg, South Africa, the Netherlands and the United States of America.

KEY AUDIT MATTERS

- Recoverability of work in progress ("WIP")
- Impairment of goodwill
- Accounting for business combinations

MATERIALITY

- Overall group materiality: £1,923,000 (2022: £2,100,000) based on 4.75% of the group's underlying profit before tax.
- Performance materiality: £1,442,250 (2022: £1,500,000).

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. 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the 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.

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

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of Work in progress ("WIP")</i></p> <p>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.</p> <p>WIP is required to be stated at the amount which is recoverable. There is a significant level of judgement as estimates are applied by management in assessing and determining the recoverable value of WIP at the year end. Therefore, there is a risk that WIP may not be recoverable, and that revenue could be overstated.</p> <p>Accounting policies and disclosures in respect of revenue and WIP are set out in note 4 & 13 of the consolidated financial statements.</p>	<p>We understood and evaluated the design and implementation of controls around the billing process and valuation of WIP and tested the key controls around the recoverability of WIP;</p> <p>For a sample of clients where WIP has been recognised and was outstanding at the year end, we confirmed subsequent billing and, when possible, that the cash had been received post year end to ensure appropriateness of revenue recognition;</p> <p>Where WIP was not subsequently billed and 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;</p> <p>We assessed the appropriateness of estimates made on the implied recovery of WIP at the year end, particularly in light of the current macroeconomic conditions of each jurisdiction;</p> <p>We assessed the WIP 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 WIP adjustments, WIP write-offs and credit notes raised; and</p> <p>We performed a stand back evaluation for the implied recovery of WIP at year end in order to assess whether there were any indicators of management bias.</p> <p>As a result of the procedures performed, we have not identified any matters to report in respect of the WIP balance at year end.</p>

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of Goodwill</i></p> <p>Acquisitions made by the group have generated a significant amount of goodwill which has been 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, including 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.</p> <p>Management uses a discounted cash flow model to determine the value in use or fair value less cost of disposal of each CGU to which goodwill is allocated.</p> <p>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.</p> <p>Accounting policies and disclosures relating to impairment of goodwill are set out in note 21 of the consolidated financial statements.</p>	<p>We understood and evaluated the design and implementation of controls and the inputs and the assumptions around the preparation and review of impairment assessments;</p> <p>We evaluated the inputs and assumptions in the forecast used by management in their discounted cash flow models for determining the value in use or fair value less cost of disposal for each of the CGUs, including the appropriateness of the basis of the forecast;</p> <p>We assessed the mathematical accuracy of each discounted cash flow model;</p> <p>We compared the projected cash flows for the next five year period with the latest approved budgets for consistency;</p> <p>We have tested the discount rates used by management in their discounted cash flows;</p> <p>We challenged management's key assumptions used in the forecasts, taking into consideration potential macroeconomic and geo-political factors on the those assumptions;</p> <p>We compared the prior year's approved management forecast to actual performance (back testing) to help assess the precision of management's estimates;</p> <p>We performed sensitivity analysis to identify the significant assumptions within the value in use or fair value less cost of disposal calculations. We also performed sensitivity analysis to determine the extent to which a change in significant assumptions would result in a material goodwill impairment and challenged management on the likelihood of such events occurring;</p> <p>We reviewed the appropriateness of management's decision to merge the US-ICS CGUs into one CGU and tested the pre-merger impairment assessment performed for each US-ICS CGU;</p> <p>We considered the adequacy of the sensitivity disclosures relating to significant estimates in the impairment assessment of goodwill in the consolidated financial statements;</p> <p>We queried management on the impact of climate change on future client revenues to assess the impact on future cash flows used in the goodwill impairment assessments; and</p> <p>We performed a stand back evaluation for the key assumptions used in the value in use calculation and fair value less cost of disposal in order to assess whether there are any indicators of management bias;</p> <p>As a result of the testing performed, we have not identified any matters to report in respect of the impairment of goodwill.</p>

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

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for business combinations</p> <p>The group has completed one acquisition during the year. Significant estimates are involved in the calculation of the fair value of acquired assets and the allocation of the purchase price.</p> <p>Judgements arise from the fact that there are a number of assumptions included in the valuation model used to determine the fair value of intangible assets acquired which include customer contracts and brand. These assumptions include estimates for the economic useful lives of the intangible assets, projected future earning levels, growth rates, client attrition rates and discount rates.</p> <p>Judgement is also applied in considering the date control and any measurement period adjustments identified.</p> <p>Accounting policies and disclosures relating to the acquisitions are disclosed in the note 31 of the consolidated financial statements.</p>	<p>We understood and evaluated the design and implementation of controls around the preparation, review and accounting for the acquisition;</p> <p>We assessed the appropriateness of the date the control was passed to the company for the acquisition;</p> <p>We reviewed the signed purchase agreement and tested the accuracy and fair value of the consideration paid and contingent consideration recognised at year end to ensure it was in line with applicable accounting standards;</p> <p>With the assistance of valuation experts, we reviewed the Purchase price allocation report prepared by management's expert and evaluated the appropriateness of the valuation model applied;</p> <p>We challenged management on the assumptions used in the valuation model such as attrition rates, useful economic life and future projections of revenue/ EBITDA margins;</p> <p>We compared the discount rate used by management in their model to our internally developed benchmark, with the assistance of valuation experts;</p> <p>We compared the projected revenue against historical performance as provided by management, adjusted for attrition;</p> <p>We assessed the reasonableness of the EBITDA margin used in the valuation model by comparing against the historical performance of the acquired business;</p> <p>We reconciled source data used in the valuation model to underlying accounting records;</p> <p>We obtained management's accounting judgement paper and assessed whether the transaction was appropriately accounted for in accordance with applicable financial reporting standards;</p> <p>We performed sensitivity analysis on the key assumptions used in the valuation model, useful economic life, attrition rates, discount rates, revenue growth rates and EBITDA margin;</p> <p>We performed a stand back evaluation for the key assumptions used to determine the fair value of the acquired intangibles in order to assess whether there were any indicators of management bias; and</p> <p>We challenged management on the impact of climate change and the macro-economic environment including high inflation and high interest rates with the forecast, and the assumptions used.</p> <p>As a result of the testing performed, we have not identified any matters to report in respect of the accounting for the business combination.</p>

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, the industry in which the group operates, and we considered the risk of climate change and the potential impact thereof on our audit approach.

The group has two segments, namely institutional client services and private client services, with operating components spread internationally. Components were considered financially significant where they exceeded 2.5% of our primary benchmark, profit before tax, as well as revenue and WIP.

Twelve of the components in scope for group reporting were audited by PwC Channel Islands, and a further two components were audited by PwC Network member firms providing more than 78% coverage of profit before tax. Two components were audited by a non-PwC Network member firm. We instructed component audit teams of these financially significant components to perform full scope audit procedures on the component's management information.

Procedures were performed by the group audit team over other non-significant components, which included a combination of audit procedures on a number of 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 for 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, procedures performed and results and findings prior to inter-office reporting.
- 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.

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

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	£1,923,000 (2022: £2,100,000)
HOW WE DETERMINED IT	4.75% of the group's underlying profit before (Prior year: 5% of the group's profit before tax, adjusted for the EIP share award expense)
RATIONALE FOR BENCHMARK APPLIED	The determination of materiality and the benchmark used is a matter of professional judgement. As underlying 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 revised our materiality benchmark to align with management's benchmark. We believe that by also testing all non-underlying items fully, this benchmark provides a more appropriate materiality to test the underlying financial statement line items and ensures consistency year on year.

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 £201,000 and £1,763,000. 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% (2022: 75%) of overall materiality, amounting to £1,442,250 (2022: £1,500,000) for the group financial statements.

In determining the performance materiality, we considered a number of factors including 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 Committee that we would report to them misstatements identified during our audit above £96,000 (2022: £105,000) 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 2023 (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.

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 Statement of directors' responsibilities, 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.

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

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.

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 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.

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

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 of the Annual Report describing the work of the Audit 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 auditors.

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 financial report will be prepared using the single electronic format specified in the ESEF RTS.

KARL HAIRON

FOR AND ON BEHALF OF PRICEWATERHOUSECOOPERS CI LLP
CHARTERED ACCOUNTANTS AND RECOGNIZED AUDITOR JERSEY, CHANNEL ISLANDS

8 April 2024

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Revenue	4	257,440	200,035
Staff expenses	5	(131,921)	(105,831)
Other operating expenses	6	(44,855)	(35,570)
Credit impairment losses	12	(2,934)	(3,092)
Other operating income		75	44
Share of (loss)/profit of equity-accounted investee	32	(15)	478
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")		77,790	56,064
Comprising:			
Underlying EBITDA		85,909	66,039
Non-underlying items	7	(8,119)	(9,975)
		77,790	56,064
Depreciation and amortisation	8	(25,140)	(22,261)
Profit from operating activities		52,650	33,803
Other (losses)/gains	9	(9,912)	14,201
Finance income	10	794	244
Finance cost	10	(19,222)	(12,313)
Profit before tax		24,310	35,935
Comprising:			
Underlying profit before tax		40,498	34,052
Non-underlying items	7	(16,188)	1,883
		24,310	35,935
Income tax	11	(2,489)	(1,221)
Profit for the year		21,821	34,714
Earnings Per Share ("EPS")			
		Pence	Pence
Basic EPS	34.1	14.20	23.92
Diluted EPS	34.2	14.07	23.60

The notes on pages 125 to 161 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Profit for the year		21,821	34,714
Other comprehensive (loss)/income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations (net of tax)	38	(7,038)	21,314
Losses on cash flow hedges	29.1	(615)	–
Hedging gains reclassified to profit or loss	10	(134)	–
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations	5.1	(300)	316
Total other comprehensive (loss)/income		(8,087)	21,630
Total comprehensive income for the year		13,734	56,344

The notes on pages 125 to 161 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Assets			
Property, plant and equipment	20	49,659	49,566
Goodwill	21	522,964	363,708
Other intangible assets	21	147,302	128,020
Investments	32	3,365	3,156
Other non-financial assets	22	2,981	2,369
Other receivables	15	–	535
Deferred tax assets	23	266	143
Total non-current assets		726,537	547,497
Trade receivables	12	32,071	33,290
Work in progress	13	11,615	12,525
Accrued income	14	26,574	23,911
Other non-financial assets	22	6,899	5,983
Other receivables	15	4,181	3,827
Cash and cash equivalents	16	97,222	48,861
Total current assets		178,562	128,397
Total assets		905,099	675,894
Equity			
Share capital	26.1	1,655	1,491
Share premium	26.1	392,213	290,435
Own shares	26.2	(3,912)	(3,697)
Capital reserve	26.3	28,584	24,361
Translation reserve	26.3	8,941	15,979
Other reserve	26.3	(749)	–
Retained earnings	26.3	77,144	71,648
Total equity		503,876	400,217
Liabilities			
Trade and other payables	17	49,794	26,896
Loans and borrowings	18	220,531	153,622
Lease liabilities	19	37,924	40,602
Deferred tax liabilities	23	9,474	11,184
Derivative financial instruments	29	749	–
Other non-financial liabilities	24	1,307	788
Provisions	25	2,200	1,884
Total non-current liabilities		321,979	234,976
Trade and other payables	17	46,897	23,424
Lease liabilities	19	6,117	4,292
Other non-financial liabilities	24	20,512	8,628
Current tax liabilities		5,346	4,088
Provisions	25	372	269
Total current liabilities		79,244	40,701
Total equity and liabilities		905,099	675,894

The consolidated financial statements on pages 123 to 124 were approved by the Board of Directors on 8 April 2024 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 2023

	Note	Share capital £'000	Share premium £'000	Own shares £'000	Capital reserve £'000	Translation reserve £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023									
Profit for the year		–	–	–	–	–	–	21,821	21,821
Other comprehensive loss		–	–	–	–	(7,038)	(749)	(300)	(8,087)
Total comprehensive income for the year		–	–	–	–	(7,038)	(749)	21,521	13,734
Issue of share capital	26.1	164	103,631	–	–	–	–	–	103,795
Cost of share issuance	26.1	–	(1,853)	–	–	–	–	–	(1,853)
Share-based payments	36.5	–	–	–	4,223	–	–	–	4,223
Movement of own shares	26.2	–	–	(215)	–	–	–	–	(215)
Dividends paid	27	–	–	–	–	–	–	(16,025)	(16,025)
Total transactions with owners		164	101,778	(215)	4,223	–	–	(16,025)	89,925
Balance at 31 December 2023		1,655	392,213	(3,912)	28,584	8,941	(749)	77,144	503,876
Balance at 1 January 2022									
Profit for the year		–	–	–	–	–	–	34,714	34,714
Other comprehensive income		–	–	–	–	21,314	–	316	21,630
Total comprehensive income for the year		–	–	–	–	21,314	–	35,030	56,344
Issue of share capital	26.1	15	4,654	–	–	–	–	–	4,669
Cost of share issuance	26.1	–	(71)	–	–	–	–	–	(71)
Share-based payments	36.5	–	–	–	2,045	–	–	–	2,045
Employee Incentive Plan (EIP) share-based payments	36.5	–	–	–	4,780	–	–	–	4,780
Movement of own shares	26.2	–	–	(331)	–	–	–	–	(331)
Dividends paid	27	–	–	–	–	–	–	(11,844)	(11,844)
Total transactions with owners		15	4,583	(331)	6,825	–	–	(11,844)	(752)
Balance at 31 December 2022		1,491	290,435	(3,697)	24,361	15,979	–	71,648	400,217

The notes on pages 125 to 161 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Cash generated from operations	35.1	84,725	55,366
Income taxes paid		(3,432)	(2,053)
Net movement in cash generated from operations		81,293	53,313
Comprising:			
Underlying cash generated from operations		91,180	60,308
Non-underlying cash items	35.2	(6,455)	(4,942)
		84,725	55,366
Investing activities			
Interest received		744	254
Payments for property, plant and equipment	20	(2,346)	(2,979)
Payments for intangible assets	21	(3,811)	(5,491)
Payments for business combinations (net of cash acquired)	17.1, 31	(114,719)	(15,113)
Payments to obtain or fulfil a contract	22	(693)	(2,210)
Payment for investment	32	(250)	–
Loan to third party	15	(160)	–
Net cash used in investing activities		(121,235)	(25,539)
Financing activities			
Proceeds from issue of shares	26.1	62,000	–
Share issuance costs	26.1	(1,853)	(169)
Purchase of own shares	26.2	(200)	(320)
Dividends paid	27	(16,025)	(11,844)
Repayment of loans and borrowings	18	(50,000)	–
Proceeds from loans and borrowings	18	118,000	–
Loan arrangement fees	18	(1,896)	–
Interest paid on loans and borrowings		(11,348)	(6,173)
Principal paid on lease liabilities		(6,074)	(4,907)
Interest paid on lease liabilities		(1,439)	(1,336)
Net cash generated from/(used in) financing activities		91,165	(24,749)
Net increase in cash and cash equivalents		51,223	3,025
Cash and cash equivalents at the beginning of the year		48,861	39,326
Effect of foreign exchange rate changes		(2,862)	6,510
Cash and cash equivalents at the end of the year	16	97,222	48,861

The notes on pages 126 to 161 are an integral part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

SECTION 1 – BASIS FOR REPORTING AND GENERAL INFORMATION

1. REPORTING ENTITY

JTC PLC (the "Company") was incorporated on 12 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 2023 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 for the year ended 31 December 2023 have been approved by the Board of Directors of JTC PLC. They are 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.

They are prepared under the historical cost convention except for certain items which are measured at fair value as described in the accounting policies shown in relevant notes.

In assessing the going concern assumption, the Directors considered the principal risks and uncertainties that can be impacted by wider macroeconomic volatility and noted that against this backdrop the Group continued to experience revenue growth and generate positive cash flows from its operating activities and has funding

available from its bank loan facilities. 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. MATERIAL ACCOUNTING POLICIES AND STANDARDS

3.1. CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED

The accounting policies set out in these consolidated financial statements have been consistently applied by all Group entities for the years presented. There have been no significant changes compared with the prior year consolidated financial statements as at and for the year ended 31 December 2022.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2023 have been adopted by the Group from 1 January 2023.

The Group has considered the following amendments for the first time for its annual reporting period commencing 1 January 2023:

- Presentation of Financial Statements – Amendments to IAS 1
- Accounting Policies, Changes in Accounting Estimates and Errors – Amendments to IAS 8
- Deferred Tax – Amendments to IAS 12
- Insurance Contracts – IFRS 17

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

3.2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The basis of consolidation is described below, otherwise material 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 both 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 entity 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 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). Investments in 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 2023 CONTINUED

SECTION 2 – RESULT FOR THE YEAR

4. OPERATING SEGMENTS

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), cash management 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 it expects the period between the transfer of the promised services to the client and the payment by the client to exceed 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. Recognised revenue is generated from external customers. Business activities include the following:

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, cash management and other company secretarial services, the Group 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 (ICS) and Private Client Services (PCS).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

4. OPERATING SEGMENTS CONTINUED

4.2. SEGMENTAL INFORMATION

The table below shows the segmental information provided to the Board for the two reportable segments (ICS and PCS) on an underlying basis:

	ICS		PCS		Total	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Revenue	163,323	136,657	94,117	63,378	257,440	200,035
Direct staff costs	(68,405)	(56,157)	(36,870)	(24,525)	(105,275)	(80,682)
Other direct costs	(2,910)	(2,499)	(3,241)	(1,874)	(6,151)	(4,373)
Indirect staff costs	(16,024)	(12,091)	(7,805)	(6,414)	(23,829)	(18,505)
Other operating expenses	(24,445)	(22,886)	(11,890)	(8,072)	(36,335)	(30,958)
Other income	47	9	12	513	59	522
Underlying EBITDA	51,586	43,033	34,323	23,006	85,909	66,039
Underlying EBITDA margin %	31.6%	31.5%	36.5%	36.3%	33.4%	33.0%

The Board evaluates segmental performance based on revenue, underlying EBITDA and underlying EBITDA margin. Profit before tax is not used to measure the performance of the individual segments as items such as depreciation, amortisation of intangibles, other (losses)/gains (including foreign exchange movement on revaluation of inter-company loans) 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 segmental reporting.

4.3. GEOGRAPHICAL INFORMATION

Revenue generated by contracting subsidiary by their location is as follows:

	2023	2022	Increase/(Decrease)	
	£'000	£'000	£'000	%
UK & Channel Islands	128,193	107,778	20,415	18.9%
US	64,839	38,039	26,800	70.5%
Rest of Europe	38,687	34,323	4,364	12.7%
Rest of the World	25,721	19,895	5,826	29.3%
	257,440	200,035	57,405	28.7%

No single customer made up more than 5% of the Group's revenue in the current or prior year.

5. STAFF EXPENSES

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

5. STAFF EXPENSES CONTINUED

	Note	2023 £'000	2022 £'000
Salaries and Directors' fees		107,765	82,739
Employer-related taxes and other staff-related costs		10,571	8,841
Other short-term employee benefits		5,521	3,508
Pension employee benefits ¹		5,230	3,841
Share-based payments	36.5	2,834	2,122
EIP share-based payments	36.5	–	4,780
		131,921	105,831

1 Pension employee benefits include defined contributions of £5.08m (2022: £3.41m) and defined benefits of £0.15m (2022: £0.43m).

5.1. DEFINED BENEFIT PENSION PLANS

The Group operates defined benefit pension plans in Switzerland and Mauritius. Both plans are contribution based with the 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. The Group does not expect a significant change in contributions year on year.

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:

	Note	2023 £'000	2022 £'000
Present value of funded obligations		(4,020)	(3,342)
Fair value of plan assets ¹		3,205	2,770
Consolidated balance sheet liability	24	(815)	(572)

1 All plan assets are held in insurance contracts.

The movement in the net defined benefit obligation recognised in the consolidated balance sheet is as follows:

	2023			2022		
	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	3,342	2,770	572	2,010	1,233	777
Included in the consolidated income statement						
Current service cost	229	–	229	233	–	233
Past service cost	(98)	–	(98)	18	–	18
Interest	81	67	14	13	4	9
Total	212	67	145	264	4	260
Included in other comprehensive loss						
Remeasurements loss/(gain):						
– Change in demographic assumptions	15	–	15	–	–	–
– Change in financial assumptions	360	–	360	(739)	–	(739)
– Experience adjustment	(127)	–	(127)	432	–	432
– Return on plan assets	–	(52)	52	–	9	(9)
Total	248	(52)	300	(307)	9	(316)
Other						
Contributions:						
– Employers	–	221	(221)	–	214	(214)
– Plan participants	109	109	–	105	105	–
Benefit payments	(18)	(18)	–	994	994	–
Exchange differences	127	108	19	276	211	65
Total	218	420	(202)	1,375	1,524	(149)
At 31 December	4,020	3,205	815	3,342	2,770	572

The plans are exposed to actuarial risks relating to the discount rate, the interest rate for the projection of the savings capital, salary increases and pension increases.

The principal actuarial assumptions used for the IAS 19 disclosures were as follows:

	Switzerland	Mauritius
Discount rate at 1 January 2023	2.4%	5.2%
Discount rate at 31 December 2023	1.4%	5.0%
Future salary increases	1.4%	5.2%
Rate of increase in deferred pensions	0.0%	0.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

5. STAFF EXPENSES CONTINUED

5.1. DEFINED BENEFIT PENSION PLANS CONTINUED

For the Swiss plan, longevity must be reflected in the defined benefit liability. The mortality probabilities used were as follows:

	2023 Years	2022 Years
Mortality probabilities for pensioners at age 65		
– Males	21.80	21.84
– Females	23.54	23.58
Mortality probabilities at age 65 for current members aged 45		
– Males	23.46	23.50
– Females	25.14	25.18

6. OTHER OPERATING EXPENSES

Other operating expenses are accounted for on an accruals basis.

	2023 £'000	2022 £'000
Third party administration fees	6,241	4,403
Legal and professional fees ¹	12,226	8,354
Auditor's remuneration for audit services	1,409	1,255
Auditor's remuneration for other assurance services	287	337
Establishment costs	3,362	3,618
Insurance	1,649	1,660
Travel and accommodation	2,559	1,772
Marketing	2,235	1,950
IT expenses	10,915	9,286
Telephone and postage	1,726	1,638
Other expenses	2,246	1,297
Other operating expenses	44,855	35,570

1 Included in legal and professional fees are £4.5m (2022: £1.4m) of non-underlying items.

7. NON-UNDERLYING ITEMS

Non-underlying items represent specific items of income or expenditure that are not of a continuing operational nature or 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.

	Note	2023 £'000	2022 £'000
EBITDA		77,790	56,064
Non-underlying items within EBITDA:			
Acquisition and integration costs ¹		7,080	3,380
Office start-up ²		612	768
Other ³		427	228
EIP share-based payments ⁴		–	5,197
Revision of ICS operating model ⁵		–	402
Total non-underlying items within EBITDA		8,119	9,975
Underlying EBITDA		85,909	66,039
Profit before tax		24,310	35,935
Total non-underlying items within EBITDA		8,119	9,975
(Gain)/loss on revaluation of contingent consideration ⁶	9	(446)	78
Foreign exchange losses/(gains) ⁷	9	8,515	(11,936)
Total non-underlying items within profit before tax		16,188	(1,883)
Underlying profit before tax		40,498	34,052

- Acquisition and integration costs include deal and tax advisory fees, legal and professional fees, staff reorganisation costs and other integration costs. This includes acquisition-related share-based payment awards granted to act as retention tools for key management and/or to recruit senior management to support various acquisitions. Acquisition and integration costs are typically incurred in the first two years following acquisition.
- Office start-up includes up-front investment in personnel and infrastructure which is required in advance of trading.
- Includes expenses in relation to a change in making annual bonus awards in cash rather than shares (see note 36.3(B)), legal costs relating to a regulatory action from the Dutch Central Bank and aborted project costs.
- The prior year included the share-based payment expense and employer-related taxes for share awards under the EIP which vested on 22 July 2022 (see note 36.1).
- The prior year included costs to complete the implementation of a revised operating model for ICS.
- Includes the gain on the revaluation of contingent consideration for Segue of £0.58m (2022: loss of £0.13m), the loss on revaluation of liability-classified contingent consideration payable for perFORM of £0.17m (2022: gain of £0.05m) and the gain on the revaluation of contingent consideration for INDOS of £0.03m (2022: £nil) (see note 17.1).
- Foreign exchange losses/(gains) that relate to the revaluation of inter-company loans. Management consider these to be non-underlying as they are unrealisable movements as the loans are eliminated upon consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

8. DEPRECIATION AND AMORTISATION

	Note	2023 £'000	2022 £'000
Depreciation of property, plant and equipment	20	8,262	7,883
Amortisation of intangible assets	21	15,766	13,562
Amortisation of assets recognised from costs to obtain or fulfil a contract	22	1,112	816
Depreciation and amortisation		25,140	22,261

9. OTHER (LOSSES)/GAINS

	Note	2023 £'000	2022 £'000
Net profit/(loss) on disposal of fixed asset		5	(130)
Gain/(loss) on revaluation of contingent consideration	17.1	446	(78)
Impairment of customer relationship intangible asset	21.2	(737)	–
Foreign exchange (losses)/gains ¹	38	(9,626)	14,409
Other (losses)/gains		(9,912)	14,201

1 This includes £8.5m of foreign exchange losses (2022: £11.9m gains) that relate to the revaluation of inter-company loans; these foreign exchange movements are considered by Management to be non-underlying items.

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.

	2023 £'000	2022 £'000
Bank interest	744	239
Loan interest	50	5
Finance income	794	244
Bank loan interest	11,123	5,112
Gain on cash flow hedge reclassified from other comprehensive income	(134)	–
Amortisation of loan arrangement fees	805	1,062
Unwinding of net present value ("NPV") discounts ¹	6,514	4,852
Other finance expense	914	1,287
Finance cost	19,222	12,313

1 Of the £6.5m total, £5.1m relates to unwinding of NPV discounts on contingent consideration (see note 17.1); this is excluded when calculating underlying basic EPS (see note 34.3). By acquisition this is as follows:

	2023 £'000	2022 £'000
INDOS	54	161
Segue	139	342
perform	461	472
Ballybunion	–	214
SALI	2,316	2,329
SDTC	2,123	–
	5,093	3,518

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 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 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 or receivable 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 or losses.

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 which have been enacted or substantively enacted at the balance sheet date, for the periods when the asset is expected to be realised or the liability is expected to be settled.

Deferred tax assets are 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.

The income tax expense in the consolidated income statement comprises:

	2023 £'000	2022 £'000
Jersey tax on current year profit	1,197	1,197
Foreign company taxes on current year profit	2,583	1,611
Adjustment in respect of previous periods	305	–
Total current tax expense	4,085	2,808
Deferred tax (see note 23):		
Temporary differences in relation to acquired intangible assets	(1,694)	(1,531)
Jersey origination and reversal of temporary differences	(6)	(17)
Foreign company origination and reversal of temporary differences	104	(39)
Total deferred tax credit	(1,596)	(1,587)
Income tax expense	2,489	1,221

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:

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	24,310	35,935
Tax on profit on ordinary activities at standard Jersey income tax rate of 10% (2022: 10%)	2,431	3,594
Effects of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	(1,262)	(1,040)
Results from tax exempt entities (foreign company)	(186)	(223)
Foreign taxes not at Jersey rate	1,313	(1,301)
Depreciation in excess of capital allowances (Jersey company)	(6)	(17)
Depreciation in excess of capital allowances (foreign company)	104	(39)
Temporary differences in relation to acquired intangible assets	(1,694)	(1,531)
Non-deductible expenses	118	479
Consolidation adjustments	1,639	1,304
Other differences	32	(5)
Income tax expense	2,489	1,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

11. INCOME TAX CONTINUED

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 trading profits are reported in Jersey by Jersey financial services companies. JTC subsidiaries located in Jersey are categorised as financial services companies and are subject to an income tax rate of 10%. It is therefore appropriate to use this rate for reconciliation purposes.

	2023 %	2022 %
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)	(5.19)	(2.89)
Results from tax exempt entities (foreign company)	(0.77)	(0.62)
Foreign taxes not at Jersey rate	5.40	(3.62)
Depreciation in excess of capital allowances (Jersey company)	(0.02)	(0.05)
Depreciation in excess of capital allowances (foreign company)	0.43	(0.11)
Temporary differences in relation to acquired intangible assets	(6.97)	(4.26)
Non-deductible expenses	0.48	1.33
Consolidation adjustments	6.75	3.63
Other differences	0.13	(0.01)
Effective tax rate	10.24	3.40

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.

All financial assets are measured at amortised cost as they arise from the provision of services to clients (e.g. trade receivables) or the objective is to hold the asset in order to collect contractual cash flows (where the contractual cash flows are solely payments of principal and interest).

Financial assets measured at amortised cost are recognised on the trade date, being the date that the Group became party to the contractual provisions of the instrument. They are initially recognised at fair value less transaction costs and then are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Financial assets 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.

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.

All financial liabilities are measured at amortised cost, with the exception of liability-classified contingent consideration which is measured at FVTPL and derivative financial instruments where hedge accounting is applied (see note 29.1).

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 have been discharged, cancelled or expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

SECTION 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES CONTINUED

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 NPV 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 to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its exposure to interest rate risks. All derivative financial instruments are initially measured at fair value on the contract date and subsequently remeasured at fair value at each reporting date. Derivatives are only used for economic hedging purposes and not as speculative investments. Hedge accounting is applied only where all of the following conditions are met:

- formal documentation exists of the relationship between the hedging instrument and hedged item at inception;
- the hedged cash flows must be highly probable and must present an exposure to variations in cash flows that could affect comprehensive income;
- the effectiveness of the hedge can be reliably measured; and
- an economic relationship exists, with the relationship being assessed on an ongoing basis.

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in other comprehensive income and is released to the consolidated income statement in the same period during which the hedged item will affect the Group's results. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the consolidated income statement immediately. See note 29.1 for further detail on the hedging instruments used by the Group.

12. TRADE RECEIVABLES

The ageing analysis of trade receivables with the loss allowance is as follows:

	Gross £'000	Loss allowance £'000	Net £'000
2023			
<30 days	12,633	(216)	12,417
30–60 days	5,019	(376)	4,643
61–90 days	2,976	(247)	2,729
91–120 days	1,532	(142)	1,390
121–180 days	2,236	(307)	1,929
>180 days	14,088	(5,125)	8,963
Total	38,484	(6,413)	32,071

	Gross £'000	Loss allowance £'000	Net £'000
2022			
<30 days	15,161	(125)	15,036
30–60 days	3,401	(114)	3,287
61–90 days	2,091	(111)	1,980
91–120 days	2,208	(101)	2,107
121–180 days	1,558	(165)	1,393
>180 days	14,516	(5,029)	9,487
Total	38,935	(5,645)	33,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

12. TRADE RECEIVABLES CONTINUED

The movement in the allowances for trade receivables is as follows:

	2023 £'000	2022 £'000
Balance at the beginning of the year	(5,645)	(4,832)
Credit impairment losses in the consolidated income statement	(2,934)	(3,092)
Amounts written off (including unused amounts reversed)	2,166	2,279
Total allowance for doubtful debts	(6,413)	(5,645)

The loss allowance includes both specific and ECL provisions. 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 considered these factors as well as climate-related changes on customers and are satisfied that any impact is not material to the ultimate recovery of receivables, such is the diversification across the book in industries and geographies. The loss allowance at 31 December 2023 is in line with previous trading and supports this conclusion. See note 29.2 for further comment on credit risk management.

ECL provision rates are segregated according to geographical location and by business line. The Group considers any specific impairments 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

	2023 £'000	2022 £'000
Total	11,710	12,594
Loss allowance	(95)	(69)
Net	11,615	12,525

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 adjusted for unrecoverable amounts less progress billed 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 £11.7m (2022: £12.6m). 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 adjustments for unrecoverable amounts, revenue would be £1.2m lower (2022: £1.3m lower).

14. ACCRUED INCOME

	2023 £'000	2022 £'000
Total	26,609	23,936
Loss allowance	(35)	(25)
Net	26,574	23,911

Accrued income relates to pre-set (fixed), cash management, 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.

15. OTHER RECEIVABLES

	2023 £'000	2022 £'000
Non-current		
Loan receivable from third party	–	535
Total non-current	–	535
Current		
Other receivables	2,685	2,804
Loans receivable from employees	–	162
Loan receivable from related party ¹	–	861
Loans receivable from third parties	1,496	–
Total current	4,181	3,827
Total other receivables	4,181	4,362

¹ The balance at 31 December 2022 related to amounts owed from Harmonate Corp. (see note 32), as there is no longer a common directorship this has been reclassified to loans receivable from third parties.

Other receivables are subject to the impairment requirements of IFRS 9 and they were assessed to have low credit risk and no loss allowance is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

16. CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash and cash equivalents	97,222	48,861
Total	97,222	48,861

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash in hand, deposits held on 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 held with reputable international banking institutions, they were assessed to have low credit risk and no loss allowance is recognised.

The cash and cash equivalents disclosed above and in the statement of cash flows includes cash allocated against regulatory and capital adequacy requirements of £11.8m (see note 35.4). These deposits vary by jurisdiction and therefore are not available for general use by the other entities within the Group.

17. TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Non-current		
Other payables	–	72
Contingent consideration	49,794	26,824
Total non-current	49,794	26,896
Current		
Trade payables	1,255	2,728
Other taxation and social security	1,127	926
Other payables	4,333	4,391
Accruals	13,276	9,907
Contingent consideration	26,906	5,472
Total current	46,897	23,424
Total trade and other payables	96,691	50,320

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.

17.1. CONTINGENT CONSIDERATION

Contingent consideration payables are discounted to NPV, split between current and non-current, and are due as follows:

	2023 £'000	2022 £'000
Acquisition		
SDTC	45,989	–
perFORM ¹	3,805	3,181
SALI ²	–	23,643
Total non-current contingent consideration	49,794	26,824
INDOS ³	–	1,483
Segue ⁴	–	2,163
SALI ²	24,644	–
SDTC	1,536	–
Sterling	726	1,826
Total current contingent consideration	26,906	5,472
Total contingent consideration	76,700	32,296

1 The earn-out (capped at £6m) for perFORM is calculated based on a multiple of its underlying EBITDA for the year ending 31 December 2024. This is payable in an equal split of cash and JTC PLC Ordinary shares; the 50% payable in shares is liability-classified contingent consideration as this is settled by a variable number of shares. In accordance with IAS 32, Management are required to update the fair value at each reporting date.

At the acquisition date, Management forecast the underlying EBITDA for perFORM and estimated that £4.48m would be due. At 31 December 2023, Management revisited their forecast and have identified no evidence to indicate an adjustment was required to the total due. To update the fair value of the 282,854 JTC PLC Ordinary shares payable, the Monte Carlo simulation was updated and this increased the share price applied to £8.47 (2022: £7.92).

The simulation is based on JTC's share price at 31 December 2023, factoring in historical volatility and projected dividend payments, and is then discounted using an appropriate risk-free rate. The updated share price resulted in a loss on revaluation of £0.17m as the fair value of the contingent consideration payable in JTC Ordinary shares increased to £2.40m (2022: £2.24m). The revalued earn-out contingent consideration of £4.62m (cash £2.22m/ JTC PLC Ordinary shares £2.40m) has then been discounted to a present value of £3.81m.

2 On 10 January 2024, having successfully met earn-out targets for the two year period following acquisition, the earn-out for SALI was settled in full.

3 At 31 December 2023, 212,014 JTC Ordinary shares vested to settle the £1.5m contingent consideration payable to INDOS (see note 26.2) and is shown within the capital reserve. This resulted in a gain on revaluation of £0.03m.

4 Contingent consideration was subject to Segue meeting adjusted EBITDA targets over the calendar years 2022 and 2023. During the period, Management paid £1.4m (\$1.7m) in cash and issued 45,386 JTC Ordinary shares in part-payment of the outstanding liability (see note 26.1). Adjusted EBITDA targets were not met for 2023, resulting in a gain on revaluation of contingent consideration of £0.58m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

18. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2023 £'000	2022 £'000
Non-current		
Bank loans	220,531	153,622
Total loans and borrowings	220,531	153,622

The terms and conditions of outstanding bank loans are as follows:

Facility	Currency	Initial termination date	Interest rate	2023 £'000	2022 £'000
Term facility	GBP	4 December 2026	SONIA + 1.65% margin	100,000	75,000
Revolving credit facility ("RCF")	GBP	4 December 2026	SONIA + 1.65% margin	123,662	80,662
Total principal value				223,662	155,662
Issue costs				(3,131)	(2,040)
Total bank loans				220,531	153,622

The interest rate applied to loan facilities is determined using SONIA plus a margin based on net leverage calculations. At 1 January 2023, the margin was 1.65%; this reduced to 1.15% effective from 29 September 2023 and increased to 1.65% on 4 December 2023 (2022: At 1 January 2022, the margin was 1.9%; this reduced to 1.65% effective from 16 September 2022 until 31 December 2022).

On 4 December 2023, the Group entered into a two year interest rate swap at a fixed interest (excluding margin) of 4.237% on £180m of its drawn debt facilities. For more information on the Group's hedging strategy, see note 29.1.

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.

The movement in bank facilities is as follows:

	At 1 January 2023 £'000	Drawdowns ¹ £'000	Repayment ¹ £'000	Amortisation release £'000	At 31 December 2023 £'000
Principal value	155,662	118,000	(50,000)	–	223,662
Issue costs	(2,040)	(1,896)	–	805	(3,131)
Total	153,622	116,104	(50,000)	805	220,531

	At 1 January 2022 £'000	Drawdowns £'000	Repayment £'000	Amortisation release £'000	At 31 December 2022 £'000
Principal value	155,662	–	–	–	155,662
Issue costs	(3,084)	–	–	1,044	(2,040)
Total	152,578	–	–	1,044	153,622

¹ On 21 June 2023, following the Company's equity raise that took place on 14 June 2023 (see note 26.1), the Group used £50m of the proceeds to temporarily part repay its existing RCF. On 1 August 2023, £118m of the RCF was drawn to satisfy the cash consideration for the acquisition of SDTC (see note 31.1).

On 6 October 2021, the Group entered into a multicurrency loan facility agreement (the "original facilities agreement") with HSBC for a total commitment of £225m consisting of a term loan of £75m and a RCF of £150m. The initial termination date was the third anniversary of the date of the agreement, being 6 October 2024.

On 4 December 2023, an amendment and restatement agreement (the "A&R agreement") relating to the original facilities agreement increased the total commitment to £400m and extended the initial termination date to 4 December 2026 with an option for two further extensions available to 30 June 2027 and 30 June 2028, respectively. At 31 December 2023, the Group had available £176.3m of committed facilities currently undrawn (2022: £69.3m).

The cost of the facility depends upon a covenant tested on net leverage being the ratio of total net debt to underlying EBITDA (for LTM at average exchange rates and adjusted for pro-forma contributions from acquisitions) for a relevant period as defined in the A&R agreement. At 31 December 2023, arrangement and legal fees amounting to £5.3m have been capitalised for amortisation over the term of the loan (2022: £3.4m).

The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods (see note 30).

The fair values are not materially different from their carrying amounts since the interest payable on those borrowings is close to current market rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

19. LEASE LIABILITIES

Where the Group is a lessee its lease contracts are for the rental of buildings for office space and also office furniture and equipment. In accordance with IFRS 16 'Leases', the Group recognises right-of-use assets which are shown within property, plant and equipment (see note 20) and lease liabilities which are shown separately on the consolidated balance sheet.

	2023 £'000	2022 £'000
Non-current	37,924	40,602
Current	6,117	4,292
Total lease liabilities	44,041	44,894

The Group makes business decisions that affect their lease contracts and those containing renewal and termination clauses are reassessed to determine whether there is any change to the lease term. Management has an ongoing programme of review and have not identified any leases with an extension option that would have a significant impact on the carrying amount of lease assets and liabilities. Where the Group has issued an early termination notice, the net present value of the liability and carrying value of the right-of-use asset has been reassessed based on the new expected termination date.

SECTION 4 – NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

20. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recorded at cost and are stated at historical cost less depreciation and impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

- 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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

20. PROPERTY, PLANT AND EQUIPMENT CONTINUED

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 2022	4,188	2,710	9,457	53,304	69,659
Additions	633	1,249	1,076	4,592	7,550
Additions through business combinations	22	–	–	471	493
Disposals	(330)	(977)	(671)	–	(1,978)
Exchange differences	116	249	351	2,085	2,801
At 31 December 2022	4,629	3,231	10,213	60,452	78,525
Additions	424	406	1,770	4,482	7,082
Additions through business combinations	62	38	616	2,735	3,451
Disposals	(278)	(271)	–	(1,454)	(2,003)
Exchange differences	34	415	395	(828)	16
At 31 December 2023	4,871	3,819	12,994	65,387	87,071
Accumulated depreciation					
At 1 January 2022	3,215	1,511	3,627	12,966	21,319
Charge for the year	524	516	759	6,346	8,145
Disposals	(329)	(842)	(548)	–	(1,719)
Exchange differences	77	267	116	754	1,214
At 31 December 2022	3,487	1,452	3,954	20,066	28,959
Charge for the year	523	598	1,296	6,240	8,657
Disposals	(208)	(261)	–	(186)	(655)
Exchange differences	66	481	422	(518)	451
At 31 December 2023	3,868	2,270	5,672	25,602	37,412
Carrying amount					
At 31 December 2023	1,003	1,549	7,322	39,785	49,659
At 31 December 2022	1,142	1,779	6,259	40,386	49,566

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). The initial valuation work is performed with support from external valuation specialists. Subsequent to initial recognition, these are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date of acquisition. The estimated useful lives are as follows:

- Customer relationships – 8 to 25 years
- Software – 5 to 10 years
- Brand – 5 to 10 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

Intangible assets 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

Internally generated software intangible assets

Development costs that are directly attributable to the design and testing of identifiable 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;
- there is an ability to use or sell the software;
- Management intend to complete the software and use or sell it;
- 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; and
- 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 four 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 that arises on the acquisition of business combinations 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 ("FVLCD") and value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units or CGUs). Non-financial assets other than goodwill that have been previously impaired 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 ¹ £'000	Customer relationships £'000	Regulatory licence £'000	Software £'000	Brands £'000	Total £'000
Cost						
At 1 January 2022	327,868	137,769	314	10,861	2,613	479,425
Additions	–	4,288	–	3,018	–	7,306
Additions through business combinations	10,982	5,663	–	–	–	16,645
Disposals	–	–	–	(46)	–	(46)
Exchange differences	24,858	8,884	17	316	268	34,343
At 31 December 2022	363,708	156,604	331	14,149	2,881	537,673
Additions	–	–	–	3,811	–	3,811
Additions through business combinations	171,108	34,747	–	16	2,455	208,326
Measurement period adjustments	(235)	–	–	–	–	(235)
Impairment charge	–	(737)	–	–	–	(737)
Disposals	–	(1,003)	–	(182)	–	(1,185)
Exchange differences	(11,617)	(4,165)	(6)	(79)	(365)	(16,232)
At 31 December 2023	522,964	185,446	325	17,715	4,971	731,421
Accumulated amortisation						
At 1 January 2022	–	24,984	178	5,406	274	30,842
Charge for the year	–	11,219	29	1,817	525	13,590
Disposals	–	–	–	(46)	–	(46)
Exchange differences	–	1,374	11	130	44	1,559
At 31 December 2022	–	37,577	218	7,307	843	45,945
Charge for the year²	–	12,799	20	2,276	712	15,807
Disposals	–	(79)	–	(119)	–	(198)
Exchange differences	–	(151)	(4)	(186)	(58)	(399)
At 31 December 2023	–	50,146	234	9,278	1,497	61,155
Carrying amount						
At 31 December 2023	522,964	135,300	91	8,437	3,474	670,266
At 31 December 2022	363,708	119,027	113	6,842	2,038	491,728

1 In accordance with IFRS 3, the presentation of the 2022 opening balance has been updated for measurement period adjustments.

2 Total amortisation charge includes £1.6m (2022: £1.2m) related to software not acquired through business combinations; the balance of £14.2m (2022: £12.4m) is excluded when calculating adjusted underlying basic EPS (see note 34.3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS CONTINUED

21.1. GOODWILL

The aggregate carrying amounts of goodwill allocated to each CGU is as follows:

In the current year:		At 1 Jan 2023	Combination of CGUs	Business combinations	Exchange differences	At 31 Dec 2023
CGU	Note	£'000	£'000	£'000	£'000	£'000
Jersey		66,104	–	–	–	66,104
Guernsey		10,761	–	–	–	10,761
BVI		752	–	–	–	752
Switzerland		2,504	–	–	52	2,556
Cayman		251	–	–	(14)	237
Luxembourg		29,186	–	–	(459)	28,727
Netherlands		14,992	–	–	(258)	14,734
Dubai		1,975	–	–	(105)	1,870
Mauritius		2,656	–	–	(138)	2,518
US – ICS		–	205,421	–	(10,955)	194,466
US – NESF		49,704	(49,704)	–	–	–
US – SALI		144,271	(144,271)	–	–	–
US – Other		11,446	(11,446)	–	–	–
US – SDTC	31.1	–	–	171,108	844	171,952
US – NYPTC		8,062	–	–	(664)	7,398
Ireland		9,051	–	–	(155)	8,896
UK		11,993	–	–	–	11,993
		363,708	–	171,108	(11,852)	522,964

In the prior year:		Balance at 1 Jan 2022	Combination of CGUs	Business combinations	Exchange differences	Balance at 31 Dec 2022
CGU	Note	£'000	£'000	£'000	£'000	£'000
Jersey		66,104	–	–	–	66,104
Guernsey		10,761	–	–	–	10,761
BVI		752	–	–	–	752
Switzerland		2,366	–	–	138	2,504
Cayman		224	–	–	27	251
Luxembourg		27,809	–	–	1,377	29,186
Netherlands		14,220	–	–	772	14,992
Dubai		1,763	–	–	212	1,975
Mauritius		2,379	–	–	277	2,656
US – NESF		44,387	–	–	5,317	49,704
US – SALI		126,136	–	2,598	15,537	144,271
US – Other		10,177	–	–	1,269	11,446
US – NYPTC	31.2	–	–	8,384	(322)	8,062
Ireland		8,796	–	–	255	9,051
UK		11,994	–	–	(1)	11,993
Total		327,868	–	10,982	24,858	363,708

(A) COMBINATION OF ICS CGUS

At 31 December 2023, Management made an assessment of facts and circumstances and determined that US – NESF, US – SALI and US – Other should form one CGU (known as "US – ICS CGU").

The facts and circumstances used in arriving at this conclusion are detailed below:

- the US ICS CGUs have integrated fully post acquisition;
- components benefit from significant cross-selling revenues;
- Management now forecast, monitor, and drive growth for US ICS revenues through a combined jurisdictional offering, as opposed to the individual CGUs' product offerings; and
- collective US Management oversight and decision-making have been in operation during 2023.

Individual assessments have been performed to establish whether impairments existed before consolidation. Management have concluded no impairment is required for US – NESF, US – SALI, or US – Other CGUs, and have proceeded to combine into one US – ICS CGU as at 31 December 2023.

Other US CGUs (US – NYPTC and US – SDTC) that relate to the PCS Division will continue to be assessed at their individual levels.

(B) GOODWILL IMPAIRMENT

Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of US – SDTC and US – NYPTC, goodwill is monitored at a jurisdictional level by Management. Goodwill is allocated to groups of 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.

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 VIU and FVLCD. 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.

Year 1 cash flow projections are based on the latest approved budget and years 2 to 5 on detailed outlooks prepared by Management. The US – ICS CGU employs a 10 year period due to the significantly longer useful economic life of their customer relationships, where these cash flow projections are able to be accurately forecasted due to their recurring nature and increased client longevity.

Previously, the terminal growth rate was based on expected long-term inflation. This has been updated to also consider the long-term average growth rate for the jurisdiction and services provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS CONTINUED

21.1. GOODWILL CONTINUED

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 rates for the relevant jurisdiction;
- the cost of equity based on an adjusted Beta for the relevant jurisdiction; and
- the risk premium to reflect the increased risk of investing in equities.

Management have given due consideration to climate change and any potential impact on projected cash flows. Such is the nature of JTC's business and the diversification of customer relationships that Management have concluded the impact to be immaterial to each of the CGUs recoverable amount.

The recoverable amounts for both the US – SDTC and Ireland CGUs were determined based on FVLCD. These were calculated using a discounted cash flow method, utilising Level 3 inputs under the IFRS 13 fair value hierarchy.

A summary of the values assigned to the key assumptions used in the VIU and FVLCD are as follows:

- Revenue growth rate: up to 33%
- Terminal value growth rate: between 0.5% to 4.0%
- Discount rate: between 9.6% to 11.2%

The key assumptions used for CGUs where the carrying amount is a significant proportion of the Group's total carrying value of goodwill is as follows:

CGU	% of Group's total carrying value of goodwill	Forecasted average annual revenue growth rate		Terminal value growth rate		Discount rate	
		2023	2022	2023	2022	2023	2022
		%	%	%	%	%	%
Jersey	12.6	6.8	7.6	2.6	2.5	10.8	11.2
Luxembourg	5.5	8.7	10.9	2.0	2.0	9.9	11.4
US – ICS	37.2	18.2	–	4.0	–	10.9	–
US – SDTC	32.9	13.1	–	2.5	–	10.5	–

At 31 December 2023, the recoverable amount of goodwill determined for each CGU 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 US – SDTC where for the recoverable amount to equal the carrying amount there would need to be a reduction of £43.6m. This may be caused by an increase of 1.5% in the discount rate from 10.5% to 12.0%. An increase of 1.6% in discount rate would result in a £1.98m impairment.

21.2. CUSTOMER RELATIONSHIP INTANGIBLE ASSETS

The carrying amounts of identifiable customer relationship intangible assets acquired separately and through business combinations are as follows:

Acquisitions	Amortisation period end	Useful economic life ("UEL")	Carrying amount	
			2023 £'000	2022 £'000
During previous financial reporting periods				
Signes	30 April 2025	10 years	412	699
KB Group	30 June 2027	12 years	1,221	1,570
S&GFA	30 September 2025	10 years	689	1,143
BAML	30 September 2029	12 years	4,851	6,016
NACT	31 July 2027	10 years	706	957
Van Doorn	28 February 2030	11.4 years	3,985	4,724
Minerva	30 May 2027 – 30 July 2030	8.7 – 11.8 years	7,387	8,762
Exequite	31 March 2029	10 years	5,261	6,373
Aufisco	30 June 2029	10 years	398	1,365
Sackville	28 February 2029	10 years	545	681
NESF	30 April 2028	8 years	739	1,256
Sanne Private Clients	30 June 2030	10 years	4,155	4,794
Anson Registrars	28 February 2030	10 years	19	22
RBC cees	31 March 2033	12 years	17,241	19,105
INDOS	31 May 2031	10 years	1,003	1,138
Segue	30 September 2031	10 years	826	1,016
perFORM	30 September 2031	10 years	21	23
Ballybunion	31 October 2031	10 years	2,058	2,362
SALI	31 October 2046	25 years	41,917	46,215
EFS	30 November 2031	10 years	1,136	1,351
Sterling	30 June 2032	10 years	2,621	4,099
NYPTC	31 October 2032	10 years	4,555	5,356
During the year ended 31 December 2023				
SDTC	31 January 2036	12.5 years	33,554	–
Total			135,300	119,027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

21. GOODWILL AND OTHER INTANGIBLE ASSETS CONTINUED

21.2. CUSTOMER RELATIONSHIP INTANGIBLE ASSETS CONTINUED

(A) ACQUIRED IN A BUSINESS COMBINATION

On 2 August 2023, the Group recognised customer relationship intangible assets for SDTC of £34.5m (\$44.2m) (see note 31.1(A)). The UEL of twelve and a half years was based on the historical length of relationships as well as observed attrition rates for companies operating in the personal trust administration sector. At 31 December 2023, the carrying amount was £33.6m as 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:

- annual revenue growth;
- the discount rate applied to free cash flow; and
- annual 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 SDTC. The following table shows the impact reasonable changes in the UEL/Attrition rate % and discount rate would have on the valuation of the customer relationships (£'000):

Discount rate	UEL/Attrition rate %		
	13.3 years/7.5%	12.5 years/8.0%	11.8 years/8.5%
9.5%	3,336	1,357	(420)
10.5%	1,837	–	(1,656)
11.5%	452	(1,256)	(2,802)

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) IMPAIRMENT

At 31 December 2023, forthcoming legislative changes in the Netherlands were considered to be an indicator of impairment for the Aufisco customer relationship intangible ("Aufisco"). Having considered all the risk factors, on 1 March 2024, the Group decided to sell its subsidiary, Global Tax Support B.V. ("GTS"). The sale terms included all GTS clients and associated future cash inflows and the subsequent impairment assessment of Aufisco resulted in an impairment charge of £0.74m.

For all other customer relationship intangibles, consideration was given to many indicators, including the current macroeconomic environment and its potential impact on financial performance. With the exception of Aufisco for the reasons set out above, Management concluded there were no indicators of impairment present at 31 December 2023.

21.3. BRAND INTANGIBLE ASSETS

(A) ACQUIRED IN A BUSINESS COMBINATION

On 2 August 2023, the Group recognised a brand intangible asset for SDTC of £2.2m (\$2.8m) (see note 31.1(A)). The UEL of five years was based on Management's expectation, as well as UELs observed for benchmark transactions.

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 estimate that any reasonable change to the key assumptions for the new brand intangible asset recognised in the year would not result in a significant change to fair value.

(B) 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 2023.

22. OTHER NON-FINANCIAL ASSETS

Assets recognised from costs to obtain or fulfil a contract

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 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 the asset is tested for impairment on an annual basis.

	2023 £'000	2022 £'000
Non-current		
Prepayments	614	361
Assets recognised from costs to obtain or fulfil a contract	2,367	2,008
Total non-current	2,981	2,369
Current		
Prepayments	5,237	4,660
Assets recognised from costs to obtain or fulfil a contract	656	549
Current tax receivables	1,006	774
Total current	6,899	5,983
Total other non-financial assets	9,880	8,352

Current and non-current assets recognised from costs to obtain or fulfil a contract include £1.9m for costs to obtain a contract (2022: £1.2m) and £1.1m for costs incurred to fulfil a contract (2022: £1.3m). The amortisation charge for the year was £1.1m (2022: £0.8m). Management review assets recognised from costs to obtain or fulfil a contract and have concluded that there was no impairment at 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

23. DEFERRED TAX

For the accounting policy on deferred income tax, see note 11.

The deferred tax (assets) and liabilities recognised in the consolidated financial statements are set out below:

	2023 £'000	2022 £'000
Deferred tax (assets)	(266)	(143)
Deferred tax liabilities	9,474	11,184
	9,208	11,041
Intangible assets	9,167	11,097
Other origination and reversal of temporary differences	41	(56)
	9,208	11,041

The movement in the year is analysed as follows:

	2023 £'000	2022 £'000
Intangible assets		
Balance at the beginning of the year	11,097	10,375
Recognised through business combinations	–	1,682
Recognised in the consolidated income statement	(1,694)	(1,531)
Foreign exchange (to other comprehensive income)	(236)	571
Balance at 31 December	9,167	11,097
Other origination and reversal of temporary differences		
Balance at the beginning of the year	(56)	(2)
Recognised in the consolidated income statement	97	(54)
Balance at 31 December	41	(56)

At 31 December 2023, the total unrecognised deferred tax (asset) in respect of brought forward losses was approximately £2.1m (2022: £2.5m).

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 NPV. 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.

Employee benefit obligations

For the accounting policy on employee benefit obligations, see note 5.

	2023 £'000	2022 £'000
Non-current		
Contract liabilities	492	216
Employee benefit obligations	815	572
Total non-current	1,307	788
Current		
Deferred income ¹	19,639	7,856
Contract liabilities	873	772
Total current	20,512	8,628
Total other non-financial liabilities	21,819	9,416

¹ Of the £7.9m of deferred income at 31 December 2022, £7.8m was recognised as revenue in the 2023 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 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.

	Dilapidations	
	2023 £'000	2022 £'000
At 1 January	2,153	1,967
Additions	277	219
Additions through business combinations	409	56
Release of unutilised provided amount	(230)	(181)
Unwind of discount	40	22
Amounts utilised	–	(21)
Impact of foreign exchange	(77)	91
At 31 December	2,572	2,153

	Analysis of total provisions:	
	2023 £'000	2022 £'000
Non-current	2,200	1,884
Current	372	269
Total	2,572	2,153

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.

	2023 £'000	2022 £'000
Authorised		
300,000,000 Ordinary shares (2022: 300,000,000 Ordinary shares)	3,000	3,000
Called up, issued and fully paid		
165,521,678 Ordinary shares (2022: 149,061,113 Ordinary shares)	1,655	1,491

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.

	Note	No. of shares (thousands)	Par value £'000	Share premium £'000
Movements in Ordinary shares				
At 1 January 2022		147,586	1,476	285,852
PLC EBT issue		1,150	12	–
Acquisition of SALI – EBT Contribution		325	3	2,056
Acquisition of SALI – adjust fair value of equity instruments		–	–	2,598
Less: Cost of share issuance		–	–	(71)
Movement in the year		1,475	15	4,583
At 31 December 2022		149,061	1,491	290,435
Shares issued for equity raises¹		8,857	88	61,912
PLC EBT issue²		1,580	16	–
Acquisition of SDTC	31.1	5,978	60	41,359
Acquisition of Segue	17.1	45	–	360
Less: Cost of share issuance³		–	–	(1,853)
Movement in the year		16,460	164	101,778
At 31 December 2023		165,521	1,655	392,213

1 On 14 June 2023, the Company issued 8,857,143 Placing Shares at a price of £7.00 per share, raising gross proceeds of £62m for the Company. 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.

2 On 21 June 2023, the Company issued an additional 1,579,636 Ordinary shares to the Company's Employee Benefit Trust ("PLC EBT") in order for PLC EBT to satisfy anticipated future exercises of awards granted to beneficiaries.

3 This includes costs associated with the equity raise (£1.7m) and the issue of shares for the acquisition of SDTC (£0.15m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 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.

	Note	No. of shares (thousands)	PLC EBT £'000
At 1 January 2022		3,171	3,366
EIP award	36.1	(1,411)	–
PSP awards	36.2	(188)	–
DBSP awards	36.3	(62)	–
Other awards	36.4	(70)	–
PLC EBT issue		1,475	12
Purchase of own shares		42	319
Movement in year		(214)	331
At 31 December 2022		2,957	3,697
PSP awards	36.2	(200)	–
DBSP awards	36.3	(48)	–
Other awards	36.4	(89)	–
Acquisition of INDOS	17.1	(212)	–
PLC EBT issue		1,580	15
Purchase of own shares		29	200
Movement in year		1,060	215
At 31 December 2023		4,017	3,912

26.3. OTHER RESERVES

CAPITAL RESERVE

This reserve is used to record the gains or losses recognised on the purchase, sale, issue or cancellation of the Company's own shares, which may arise from capital transactions by the Group's employee benefit trusts as well as any movements in share-based awards to employees (see note 36).

TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

OTHER RESERVE

Other reserve includes the cash flow hedge reserve, which is used to recognise the effective portion of gains or losses on derivatives designated and qualifying as cash flow hedges (see note 29.1).

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:

	2023 £'000	2022 £'000
Final dividend for 2021 of 5.07p per qualifying Ordinary share	–	7,322
Interim dividend for 2022 of 3.1p per qualifying Ordinary share	–	4,522
Final dividend for 2022 of 6.88p per qualifying Ordinary share	10,240	–
Interim dividend for 2023 of 3.5p per qualifying Ordinary share	5,785	–
Total dividend declared and paid	16,025	11,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

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. In preparing the financial statements, Management have ensured they have assessed any direct and indirect impacts of inflation and interest rates when applying IFRS.

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 INTANGIBLE ASSETS

In 2023, the Group acquired SDTC (see note 31.1). IFRS 3 'Business Combinations' requires Management 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 and brand. The fair values at acquisition date were £34.5m (\$44.2m) and £2.2m (\$2.8m), respectively.

TREATMENT OF CONTINGENT CONSIDERATION FOR SDTC

IFRS 3 'Business Combinations' requires Management to assess whether contingent payments are consideration or remuneration. Following their assessment, Management concluded the total earn-out of £54.7m (\$70.0m) for SDTC to be contingent consideration (see note 31.1(B)).

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 GROUP OF CGUS

Goodwill is tested annually for impairment and the recoverable amount of groups of CGUs is determined based on a value in use or fair value less costs of sale 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: annual revenue growth, the discount rate applied to free cash flow and annual client attrition rates. See note 21.2(A) for the sensitivity analysis.

FAIR VALUE OF EARN-OUT CONSIDERATION FOR SDTC

To derive the fair value of the earn-out contingent consideration, Management assessed the likelihood of achieving pre-defined revenue targets to determine the value of contingent consideration. Management considers the forecast revenue to be the key assumption in the calculation of the fair value. See note 31.1(B) 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 material 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 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:

	Note	2023 £'000	2022 £'000
Financial assets – measured at amortised cost			
Trade receivables	12	32,071	33,290
Work in progress	13	11,615	12,525
Accrued income	14	26,574	23,911
Other receivables	15	4,181	3,991
Cash and cash equivalents	16	97,222	48,861
		171,663	122,578
Financial assets – measured at fair value			
Other receivables	15	–	371
		–	371
Financial liabilities – measured at amortised cost			
Trade and other payables	17	94,789	48,722
Loans and borrowings	18	220,531	153,622
Lease liabilities	19	44,041	44,894
		359,361	247,238
Financial liabilities – measured at fair value			
Derivative financial liabilities	29.1	749	–
Trade and other payables ¹	17	1,902	1,598
		2,651	1,598

1 Included within trade and other payables is the liability-classified contingent consideration of £1.9m for perfORM (2022: £1.6m) (see note 17.1)

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 for the asset or liability

Management concluded that the interest rate swap was classified under Level 2, calculated as the present value of the estimated future cash flows based on observable yield curves, and the liability-classified contingent consideration was classified under Level 3, as per the valuation methodology outlined in note 17.

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 AND SENSITIVITY

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.

In order to implement and monitor this policy, on an ongoing basis Management periodically analyse 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 continue to regularly assess if foreign currency hedging is appropriate.

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 and US dollar. The Group's bank loans are denominated in £, although the facility is multicurrency.

As at 31 December 2023, the Group's exposure to its material foreign currency denominated financial assets and liabilities is as follows:

	£		Euro		US dollar	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Net foreign currency assets/(liabilities)						
Trade receivables	18,661	17,612	2,894	3,502	10,021	12,031
Work in progress	8,894	9,628	1,441	1,625	875	743
Accrued income	13,820	12,802	2,314	1,704	10,326	9,395
Other receivables	1,243	1,693	–	374	2,776	2,053
Cash and cash equivalents	12,102	9,811	15,534	10,192	67,669	27,114
Trade and other payables	(8,708)	(10,435)	(7,529)	(6,236)	(79,097)	(32,695)
Loans and borrowings	(223,662)	(153,622)	–	–	–	–
Lease liabilities	(24,966)	(26,621)	(9,168)	(10,863)	(7,093)	(5,603)
Total net exposure	(202,616)	(139,132)	5,486	298	5,477	13,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

29. FINANCIAL RISK MANAGEMENT CONTINUED

29.1. MARKET RISK CONTINUED

FOREIGN CURRENCY RISK MANAGEMENT AND SENSITIVITY CONTINUED

The following table illustrates the possible effect on comprehensive income for the year and net assets arising from a 20% strengthening or weakening of UK sterling against other currencies.

	Strengthening/ (weakening) of UK sterling ¹	Effect on comprehensive income and net assets	
		2023 £'000	2022 £'000
Euro	+20%	(914)	(50)
US dollar	+20%	(913)	(2,173)
Total		(1,827)	(2,223)
Euro	(20%)	1,371	74
US dollar	(20%)	1,369	3,259
Total		2,740	3,333

1 Holding all other variables constant.

Inter-company loans

A 20% strengthening of UK sterling would result in a £1.6m foreign exchange loss within the consolidated income statement. Conversely, a 20% weakening of UK sterling would result in a £2.5m foreign exchange gain.

INTEREST RATE RISK MANAGEMENT AND SENSITIVITY

(A) BANK LOANS

The Group is exposed to interest rate risk as it borrows all funds at floating interest rates. The interest rate applied to loan facilities is determined using SONIA plus a margin based on net leverage calculations. The Group manages the interest rate risk by maintaining an appropriate leverage ratio and through this ensuring that the interest rate is kept as low as possible.

During the current year, the macroeconomic environment resulted in increased interest rates and higher costs for the Group. Management have continued to assess the risk and the cost versus benefit of taking hedging instruments to manage this exposure, and upon the refinancing of the RCF on 4 December 2023, entered into a two year interest rate swap.

(B) HEDGE ACCOUNTING

The Group exercised the choice to use hedge accounting for the two year interest rate swap on its loans and borrowings in accordance with IFRS 9 'Financial Instruments'.

The Group designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objective, the strategy in undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment, both at the inception of the hedge relationship and on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the movements in the fair value of the respective hedged items during the period for which the hedge is designated.

Cash flow hedges

In accordance with its risk management strategy, the Group entered into interest rate swap contracts to manage the interest rate risk arising in respect of the floating interest rate exposures on its borrowings.

The Group assessed prospective hedge effectiveness by comparing the changes in the floating rate on its borrowings with the changes in fair value of allocated interest rate swaps used to hedge the exposure.

The Group has identified the following possible sources of ineffectiveness:

- the use of derivatives as a protection against interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item;
- different amortisation profiles on hedged item principal amounts and interest rate swap notional;
- for derivatives the discounting curve used depends on collateralisation and the type of collateral used; and
- differences in the timing of settlement of hedging instruments and hedged items.

Management have concluded there are no sources of ineffectiveness.

Instruments used by the Group

The Group holds three interest rate swap contracts which commenced on 4 December 2023 and expire on 4 December 2025, with a blended swap rate of 4.237% (excluding margin). Each of the contracts covers a notional amount of £60m, and as at 31 December 2023, the Group held 80% (2022: 0%) of fixed rate debt and 20% (2022: 100%) of floating rate debt, from its total borrowings of £223.7m (2022: £153.6m).

As at 31 December 2023, the interest rate swap contracts were revalued resulting in a financial liability with a fair value of £0.75m. There was a corresponding loss recorded within other comprehensive income, of which £0.13m was reclassified to the profit or loss (see note 10).

(C) SENSITIVITY ANALYSIS FOR VARIABLE RATE INSTRUMENTS

An increase/decrease of 100 basis points in interest rates on loans and borrowing with floating interest rates would have decreased/increased the profit and loss before tax by £1.6m (2022: increase/decrease by 100 basis points, +/-£1.6m). 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

29. FINANCIAL RISK MANAGEMENT CONTINUED

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.

Management give close and regular consideration to the potential impact of the macroeconomic environment (including increased interest rates) and any climate-related risks upon the customer's behaviours and ability to pay. This analysis is performed on a customer-by-customer basis. Such is the diversification across the book in industries and geographies that any impact is not considered to be material to the recoverability of customer receivables. 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 and 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 2023 £'000	Loss allowance 2023 £'000	Net 2023 £'000	Total 2022 £'000	Loss allowance 2022 £'000	Net 2022 £'000
Trade receivables	38,484	(6,413)	32,071	38,935	(5,645)	33,290
Work in progress	11,710	(95)	11,615	12,594	(69)	12,525
Accrued income	26,609	(35)	26,574	23,936	(25)	23,911
Other receivables	4,181	–	4,181	4,362	–	4,362
Cash and cash equivalents	97,222	–	97,222	48,861	–	48,861
	178,206	(6,543)	171,663	128,688	(5,739)	122,949

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. Management have considered the impact of increased interest rates during the year, and do not consider there to be a significant negative impact on the Group's ability to meet its financial obligations.

The Board is responsible for liquidity risk management and it has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. Regulation in most jurisdictions also requires the Group to maintain a level of liquidity 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

29. FINANCIAL RISK MANAGEMENT CONTINUED

29.3. LIQUIDITY RISK MANAGEMENT CONTINUED

The total contractual cash flows are as follows:

	<6 months	6–12 months	1–3 years	3–5 years	5–10 years	>10 years	Total contractual cash flow
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2023							
Loans and borrowings ¹	7,292	7,372	253,457	–	–	–	268,121
Trade payables and accruals	19,896	–	–	–	–	–	19,896
Contingent consideration	25,465	–	59,342	–	–	–	84,807
Lease liabilities	3,888	3,888	13,136	10,887	14,012	5,931	51,742
Total	56,541	11,260	325,935	10,887	14,012	5,931	424,566

	<6 months	6–12 months	1–3 years	3–5 years	5–10 years	>10 years	Total contractual cash flow
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2022							
Loans and borrowings ¹	4,221	4,344	170,020	–	–	–	178,585
Trade payables and accruals	17,952	–	72	–	–	–	18,025
Contingent consideration	2,734	–	29,358	–	–	–	32,092
Lease liabilities	3,537	3,511	13,225	10,346	14,812	7,806	53,237
Total	28,444	7,855	212,675	10,345	14,812	7,806	281,938

1 This includes the future interest payments not yet accrued and the repayment of capital upon maturity.

30. CAPITAL MANAGEMENT

30.1. RISK MANAGEMENT

The Group's objective for managing capital is to safeguard the ability to continue as a going concern, while maximising the return to Shareholders through the optimisation of the debt and equity balance, and to ensure capital adequacy requirements are met for local regulatory requirements at entity level.

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 and reserves. For the Group's risk management and strategy regarding interest rate and foreign exchange risk, see note 29.1.

30.2. 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 loan agreement the Group tests compliance with the financial covenants on a bi-annual basis.

Under the terms of the loan facility, the Group is required to comply with the following financial covenants:

- Leverage (being the ratio of total net debt to underlying EBITDA (for LTM at average exchange 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 underlying EBITDA to net finance charges) must not be less than 4:1.

The Group has complied with all financial covenants throughout the reporting period and is satisfied that there is sufficient headroom should rising inflation and interest rates adversely affect trading going forward.

30.3. CAPITAL ADEQUACY

Individual regulated entities within the Group are subject to regulatory requirements to maintain 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 2023 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 depends 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. TC3 GROUP HOLDING LLC AND ITS SUBSIDIARIES INCLUDING SOUTH DAKOTA TRUST COMPANY LLC (TOGETHER "SDTC")

On 14 June 2023, JTC entered into an agreement to acquire 100% of the share capital of TC3 Group Holding LLC and its subsidiaries, including South Dakota Trust Company LLC. SDTC is a US based and market-leading provider of private client trust services, including the administration of trusts and estates on behalf of HNW and UHNW individuals. The acquisition is highly complementary to JTC's existing US operations and establishes JTC as the leading independent provider of administration services to the US personal trust sector.

Following regulatory approval for the transaction, 100% of the cash consideration was transferred on 2 August 2023, as well as the equity element of initial consideration. The results of the acquired business have been consolidated from 2 August 2023 as Management concluded this was the date control was obtained by the Group.

The acquired business contributed revenues of £12.8m and underlying profit before tax (before central costs have been applied) of £5.6m to the Group for the period from 2 August 2023 to 31 December 2023. If the business had been acquired on 1 January 2023, the consolidated pro-forma revenue and underlying profit before tax for the period would have been £275.4m and £33.7m, 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:

		Book value at acquisition	Adjustments	Fair value	Fair value
	Note	£'000	£'000	£'000	\$'000
Property, plant and equipment ¹		1,941	1,299	3,240	4,146
Intangible assets – computer software		16	–	16	22
Intangible assets – customer relationships	21.2	–	34,540	34,540	44,198
Intangible assets – brand	21.3	–	2,212	2,212	2,831
Trade receivables		831	–	831	1,064
Other receivables		163	–	163	209
Cash and cash equivalents		1,588	–	1,588	2,032
Assets		4,539	38,051	42,590	54,502
Trade and other payables		381	1,385	1,766	2,257
Lease liabilities ¹		1,708	1,076	2,784	3,563
Deferred income		7,177	–	7,177	9,185
Provisions		–	409	409	524
Liabilities		9,266	2,870	12,136	15,529
Total identifiable net (liabilities)/assets		(4,727)	35,181	30,454	38,973

Other than those items detailed below and referenced above, all adjustments relate to additional information obtained post acquisition, about facts and circumstances that existed at the acquisition date.

¹ The acquired business leases office premises, a lease liability of £2.8m (\$3.6m) is measured at the present value of the remaining lease payments with a corresponding right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

31.1. TC3 GROUP HOLDING LLC AND ITS SUBSIDIARIES INCLUDING SOUTH DAKOTA TRUST COMPANY LLC (TOGETHER "SDTC") CONTINUED

(B) CONSIDERATION

Total consideration is satisfied by the following:

	£'000	\$'000
Cash consideration ¹	114,916	147,050
Equity instruments ²	41,419	53,000
Deferred consideration – PLC EBT contribution ³	1,499	1,918
Contingent consideration – earn-out ⁴	43,728	55,955
Fair value of total consideration at acquisition	201,562	257,923

- This comprises £115.1m (\$147.2m) of initial cash consideration paid upon completion less £0.15m (\$0.2m) received subsequently for purchase price adjustments.
- On 2 August 2023, the Company issued 5,978,400 Ordinary shares at fair value to satisfy the equity element of initial consideration (see note 26.1).
- This relates to a £1.6m (\$2.0m) contribution to PLC EBT due to be paid during 2024. The amount payable has been discounted to its present value of £1.5m (\$1.9m).
- A total of up to £54.7m (\$70.0m) is payable, subject to meeting revenue targets for the calendar years 2024 and 2025. Based on Management's assessment of the budgeted forecast for the period, it is estimated that the contingent consideration payable will be £54.7m (\$70.0m), therefore meeting the earn-out in full. The estimated contingent consideration has been discounted to its present value of £43.7m (\$56.0m) and is payable in a 73.5%/26.5% ratio of cash and JTC PLC Ordinary shares. In determining the fair value of the contingent consideration payable under IFRS 3 'Business Combinations', Management noted that the seller may distribute up to £6.6m (\$8.4m) of the earn-out to employees of SDTC in recognition of their past service, should the earn-out targets be met. Management have applied judgment to the treatment of this contingent payment and concluded that the full earn-out (including the £6.6m (\$8.4m)) should be recognised as consideration, as the seller is the main beneficiary of the service provided and the Company will be required to make any contingent payments regardless of the employment status of the recipients.

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 5% would decrease the earn-out contingent consideration by £2.7m (\$3.5m). Discounted to its present value this would be equal to a £2.2m (\$2.8m) decrease.

(C) GOODWILL

	£'000	\$'000
Total consideration	201,562	257,923
Less: Fair value of identifiable net assets	(30,454)	(38,973)
Goodwill	171,108	218,950

Goodwill is represented by assets that do not qualify for separate recognition or other factors. The acquisition is highly complementary to JTC's existing US operations and establishes JTC as the leading independent provider of administration services to the US personal trust sector, including new customer relationships, a recognised brand and the effects of an assembled workforce.

(D) IMPACT ON CASH FLOW

	£'000	\$'000
Cash consideration	114,916	147,050
Less: cash balances acquired	(1,588)	(2,032)
Net cash outflow from acquisition	113,328	145,018

(E) ACQUISITION-RELATED COSTS

The Group incurred acquisition-related costs of £3.8m for legal, professional, advisory and other integration expenses. These costs have been recognised within other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

31.2. NEW YORK PRIVATE TRUST COMPANY ("NYPTC")

On 31 October 2022, JTC acquired NYPTC, a Delaware non-deposit trust company offering a broad range of services to HNW and UHNW individuals, families and corporate clients.

At the acquisition date, the fair value of consideration was £17.0m (\$19.7m) for acquired identifiable net assets of £8.6m (\$10.0m), resulting in goodwill of £8.4m (\$9.7m). Consideration for the acquisition was paid as 100% cash.

Within the acquired identifiable net assets were customer relationship intangibles of £5.7m (\$6.6m) with a UEL of 10 years. Deferred tax liabilities of £1.7m (\$2.0m) were recognised in relation to identified intangible assets, the amortisation of which is non-deductible against US Corporation Taxes and therefore creates temporary differences between the accounting and taxable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

32. INVESTMENTS

The Group's interest in other entities includes an associate and other investments 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 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 investments the Group holds as at 31 December 2023. 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.

Name of entity	Country of incorporation	Nature of relationship	Measurement method	% of ownership interest		Carrying amount	
				2023 %	2022 %	2023 £'000	2022 £'000
Kensington International Group Pte. Ltd	Singapore	Associate ¹	Equity method	42	42	2,310	2,325
Harmonate Corp.	United States	Investment ²	Cost	11.2	11.2	805	831
FOMTech Limited	United Kingdom	Investment ³	Cost	0.2	–	250	–
Total investments						3,365	3,156

1 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.

2 Harmonate Corp. ("Harmonate") provides fund operation and data management solutions to clients in the financial services industry.

3 FOMTech Limited and its subsidiaries operate a FinTech platform that specialises in venture capital funding.

The summarised financial information for KIG, which is accounted for using the equity method, is as follows:

	2023 £'000	2022 £'000
Summarised income statement		
Revenue	7,554	7,253
Gross profit	6,313	6,133
Operating expenditure	5,753	4,933
Total comprehensive income for the year	114	668

	2023 £'000	2022 £'000
Summarised balance sheet		
Non-current assets	650	600
Current assets	6,944	10,805
Current liabilities	(3,365)	(7,141)
Closing net assets	4,229	4,264

	2023 £'000	2022 £'000
Reconciliation of summarised financial information		
Opening net assets	4,264	3,133
Total comprehensive income for the year	114	668
Foreign exchange differences	(149)	463
Closing net assets	4,229	4,264
Group's share of closing net assets	1,788	1,803
Goodwill	522	522
Carrying value of investment in associate	2,310	2,325

	2023 £'000	2022 £'000
Impact on consolidated income statements		
Balance at 1 January	2,325	1,847
Share of (loss)/profit of equity-accounted investee	(15)	478
Balance at 31 December	2,310	2,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

33. SUBSIDIARIES

In the opinion of Management, the Group's subsidiaries which principally affect the profit or the net assets of the Group at 31 December 2023 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 shareholding and voting rights are less than 100%, Management have considered the circumstances of each subsidiary shareholding and any specific agreements in support and have concluded that the subsidiaries should be consolidated (as per the accounting policy in note 3.2), the interest attributed in full to the Company and no minority interest recognised. Please see specific comments below the table.

Name of subsidiary	Country of incorporation and place of business	Activity	% holding
JTC Group Holdings Limited	Jersey	Holding	100
JTC Group Limited	Jersey	Head office services	100
JTC (Jersey) Limited	Jersey	Trading	100
JTC Employer Solutions Limited	Jersey	Trading	100
JTC Fund Solutions (Jersey) Limited	Jersey	Trading	100
JTC (Austria) GmbH	Austria	Trading	100
JTC (Bahamas) Limited	Bahamas	Trading	100
JTC (BVI) Limited	British Virgin Islands	Trading	100
JTC (Cayman) Limited	Cayman Islands	Trading	100
JTC Fund Services (Cayman) Ltd	Cayman Islands	Trading	100
JTC Corporate Services (DIFC) Limited	Dubai	Trading	100
JTC Fund Solutions (Guernsey) Limited	Guernsey	Trading	100
JTC Global AIFM Solutions Limited	Guernsey	Trading	100
JTC Registrars Limited	Guernsey	Trading	100
JTC Employer Solutions (Guernsey) Limited	Guernsey	Trading	100
JTC Corporate Services (Ireland) Limited	Ireland	Trading	100
JTC Fund Solutions (Ireland) Limited	Ireland	Trading	100
JTC Global AIFM Solutions (Ireland) Limited	Ireland	Trading	100
INDOS Financial (Ireland) Limited	Ireland	Trading	100
JTC Trustees (IOM) Limited	Isle of Man	Trading	100
JTC Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100
JTC (Luxembourg) S.A.	Luxembourg	Trading	100
JTC Global AIFM Solutions SA	Luxembourg	Trading	100
JTC Corporate Services (Luxembourg) SARL	Luxembourg	Trading	100
JTC Signes Services SA	Luxembourg	Trading	100
Exequitive Services S.à r.l.	Luxembourg	Trading	100
JTC Fiduciary Services (Mauritius) Limited	Mauritius	Trading	100
JTC (Netherlands) B.V.	Netherlands	Trading	100
JTC Holdings (Netherlands) B.V.	Netherlands	Holding	100
JTC Institutional Services Netherlands B.V.	Netherlands	Trading	100
Global Tax Support B.V. ¹	Netherlands	Trading	–
JTC Fund and Corporate Services (Singapore) Pte. Limited	Singapore	Trading	100
JTC Fund Solutions RSA (Pty) Ltd	South Africa	Trading	100
JTC (Suisse) SA	Switzerland	Trading	100

Name of subsidiary	Country of incorporation and place of business	Activity	% holding
JTC Trustees (Suisse) Sàrl	Switzerland	Trading	100
JTC Group Holdings (UK) Limited	UK	Holding	100
INDOS Financial Limited	UK	Trading	100
JTC Fund Services (UK) Limited	UK	Trading	100
JTC Trust Company (UK) Limited	UK	Trading	100
JTC (UK) Limited	UK	Trading	100
JTC UK (Amsterdam) Limited	UK	Holding	100
JTC Registrars (UK) Limited	UK	Trading	100
perform Due Diligence Services Limited	UK	Trading	100
JTC USA Holdings, Inc.	US	Trading	100
JTC Miami Corporation ²	US	Trading	50
JTC Trust Company (South Dakota) Ltd	US	Trading	100
Essential Fund Services, LLC	US	Trading	100
SALI Fund Management, LLC	US	Trading	100
JTC Americas Holdings, LLC	US	Holding	100
JTC Americas TrustCo Holdings, LLC	US	Holding	100
Segue Partners, LLC	US	Trading	100
JTC Trust Company (Delaware) Limited	US	Trading	100
TC3 Group Holding, LLC	US	Holding	100
South Dakota Trust Company, LLC	US	Trading	100

1 At 31 December 2023, JTC had a call option to purchase Global Tax Support B.V. for €1 from its parent company, therefore Management had control of this entity and no minority interest is recognised.

2 JTC Miami Corporation is 50% owned by an employee as part of their residential status in the US. The employee has signed a declaration of trust to confirm they hold the shares in trust for JTC, would vote as directed and would not seek to benefit from dividends or profit. Management therefore consider it appropriate to attribute 100% of the interest to JTC and no minority interest is recognised.

JTC PLC has the following dormant UK subsidiaries that are exempt from filing individual accounts with the registrar in accordance with s448A of Companies Act 2006: PTC Securities Limited, Stratford Securities Limited, St James's Securities Limited, JTC Fiduciary Services (UK) Limited, JTC Trustees (UK) Limited, PTC Investments Limited, Castle Directors (UK) Limited, JTC Securities (UK) Limited, JTC Corporate Services (UK) Limited, JTC Trustees Services (UK) Limited and JTC Directors (UK) Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 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.

Adjusted underlying basic Earnings Per Share

The calculation of adjusted 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 NPV discounts in relation to contingent consideration.

The Group calculates basic, diluted and adjusted underlying basic Earnings Per Share. The results can be summarised as follows:

	2023 Pence	2022 Pence
Basic EPS	14.20	23.92
Diluted EPS	14.07	23.60
Adjusted underlying basic EPS	37.23	33.27

34.1. BASIC EARNINGS PER SHARE

	2023 £'000	2022 £'000
Profit for the year	21,821	34,714

	No. of shares (thousands)	No. of shares (thousands)
Issued Ordinary shares at 1 January	146,001	144,326
Effect of shares issued to acquire business combinations	2,474	–
Effect of movement in treasury shares held	322	811
Effect of placing	4,862	–
Weighted average number of Ordinary shares (basic):	153,659	145,137
Basic EPS (pence)	14.20	23.92

34.2. DILUTED EARNINGS PER SHARE

	2023 £'000	2022 £'000
Profit for the year	21,821	34,714

	No. of shares (thousands)	No. of shares (thousands)
Weighted average number of Ordinary shares (basic)	153,659	145,137
Effect of share-based payments issued	1,440	1,930
Weighted average number of Ordinary shares (diluted):	155,099	147,067
Diluted EPS (pence)	14.07	23.60

34.3. ADJUSTED UNDERLYING BASIC EARNINGS PER SHARE

	Note	2023 £'000	2022 £'000
Profit for the year		21,821	34,714
Non-underlying items	7	16,188	(1,883)
Amortisation of customer relationships, acquired software and brands	21	14,265	12,400
Impairment of customer relationship intangible asset	21.2	737	–
Amortisation of loan arrangement fees	10	805	1,062
Unwinding of NPV discounts for contingent consideration	10	5,093	3,518
Temporary tax differences arising on amortisation of customer relationships, acquired software and brands	11	(1,694)	(1,531)
Adjusted underlying profit for the year		57,215	48,280

	No. of shares (thousands)	No. of shares (thousands)
Weighted average number of Ordinary shares (basic)	153,659	145,137
Adjusted underlying basic EPS (pence)	37.23	33.27

Adjusted underlying basic EPS is an alternative performance measure which reflects the underlying activities of the Group. The following definition is not consistent with the requirements of IAS 33.

The Group's definition of underlying basic EPS reflects the profit for the year adjusted to remove the impact of non-underlying items (see note 7). Additionally, a number of other items relating to the Group's acquisition activities including amortisation of acquired intangible assets and associated deferred tax, impairment of acquired intangible assets, amortisation of loan arrangement fees and unwinding of NPV discounts in relation to contingent consideration are removed to present an adjusted underlying basic EPS which is used more widely by external investors and analysts.

The definition of adjusted underlying basic Earnings Per Share has been updated to include the impairment of acquired intangible assets. Management consider this adjustment to be consistent with its existing treatment of acquired intangible assets. Prior to this update, adjusted underlying basic Earnings Per Share was 36.76p (2022: 33.27p).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

35. CASH FLOW INFORMATION

35.1. CASH GENERATED FROM OPERATIONS

	2023 £'000	2022 £'000
Operating profit	52,650	33,803
Adjustments:		
Depreciation of property, plant and equipment	8,262	7,883
Amortisation of intangible assets and assets recognised from costs to obtain or fulfil a contract	16,878	14,378
Equity-settled share-based payment expense	2,716	2,045
EIP share-based payment expense	–	4,780
Share of loss/(profit) of equity-accounted investee	15	(478)
Operating cash flows before movements in working capital	80,521	62,411
Net changes in working capital:		
Decrease/(increase) in receivables	164	(10,247)
Increase in payables	4,040	3,202
Cash generated from operations	84,725	55,366

35.2. NON-UNDERLYING ITEMS WITHIN CASH GENERATED FROM OPERATIONS

	2023 £'000	2022 £'000
Cash generated from operations	84,725	55,366
Non-underlying items:		
Acquisition and integration costs	5,799	3,127
Office start-up	612	768
Other	44	228
Capital distribution from EBT	–	417
Revision of ICS operating model	–	402
Total non-underlying items within cash generated from operations	6,455	4,942
Underlying cash generated from operations	91,180	60,308

35.3. FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	Lease liabilities due within one year £'000	Lease liabilities due after year £'000	Borrowings due within one year £'000	Borrowings due after one year £'000	Total £'000
At 1 January 2022	5,463	37,916	–	152,578	195,957
Cash flows:					
Acquired on acquisition	216	101	–	–	317
Repayments	(41)	(6,202)	–	–	(6,243)
Other non-cash movements ¹	(1,346)	8,787	–	1,044	8,485
At 31 December 2022	4,292	40,602	–	153,622	198,516
Cash flows:					
Acquired on acquisition	554	2,230	–	–	2,784
Drawdowns	–	–	–	118,000	118,000
Repayments	(28)	(7,482)	–	(50,000)	(57,510)
Other non-cash movements¹	1,299	2,574	–	(1,091)	2,782
At 31 December 2023	6,117	37,924	–	220,531	264,572

1 Other non-cash movements include the capitalisation and amortisation of loan arrangement fees, foreign exchange movements, additions and disposals of lease liabilities relating to right-of-use assets and the unwinding of NPV discounts.

35.4. NET DEBT

	2023 £'000	2022 £'000
Bank loans	(220,531)	(153,622)
Cash allocated against regulatory and capital adequacy requirements ¹	(11,827)	(15,673)
Loans receivable from employees	–	16
Less: cash and cash equivalents	97,222	48,861
Total net debt	(135,136)	(120,418)

1 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 2023 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. EMPLOYEE INCENTIVE PLAN ("EIP")

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 Group. Each award was separated into two tranches: 50% vested at the grant date ("Tranche one") and 50% was 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 was expensed in full upon grant and Tranche two was expensed over the one year vesting period to 22 July 2022. There were no shares granted, exercised or forfeited during 2023.

Details of movements in the number of shares are as follows:

	2023		2022	
	No. of shares (thousands)	£'000	No. of shares (thousands)	£'000
Outstanding at the beginning of the year	–	–	1,479	9,240
Granted	–	–	–	–
Exercised	–	–	(1,411)	(8,813)
Forfeited	–	–	(68)	(427)
Outstanding at the end of the year	–	–	–	–

Following the Odyssey era, the Galaxy business plan commenced in 2021 and its goals were completed by the end of 2023. The Remuneration Committee will use its discretion to consider the granting of awards under the EIP scheme during 2024.

36.2. PERFORMANCE SHARE PLAN ("PSP")

Executive Directors and senior managers may receive awards of shares, which may be granted annually under the PSP. The maximum policy opportunity award size under the PSP for an Executive Director is 150% of annual base salary; however, the plan rules allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances. The Remuneration Committee determines the appropriate performance measures, weightings and targets prior to granting any awards. Performance conditions include Total Shareholder Return relative to a relevant comparator group and the Company's absolute underlying EPS performance.

The following table provides details for PSP awards:

Plan name	Performance period	Grant date	Vest date	No. of shares (thousands)	Fixed amount
					at fair value £'000
PSP 2019	1 January 2019 to 31 December 2021	3 April 2019	19 April 2022	254	614
PSP 2020	1 January 2020 to 31 December 2022	23 April 2020	6 April 2023	213	825
PSP 2021	1 January 2021 to 31 December 2023	20 May 2021	1	283	1,507
PSP 2022	1 January 2022 to 31 December 2024	19 April 2022	1	246	1,384
PSP 2023	1 January 2023 to 31 December 2025	11 April 2023	1	414	2,328

1 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:

	2023		2022	
	No. of shares (thousands)	£'000	No. of shares (thousands)	£'000
Outstanding at the beginning of the year	673	3,346	733	2,903
Awarded	414	2,328	246	1,384
Exercised	(200)	(771)	(188)	(425)
Forfeited	(3)	(17)	(118)	(516)
Outstanding at the end of the year	884	4,886	673	3,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

36. SHARE-BASED PAYMENTS CONTINUED

36.3. DEFERRED BONUS SHARE PLAN ("DBSP")

Depending on the performance of the Group, consideration is given annually by the Remuneration Committee to the granting of share awards under the DBSP to eligible Directors. This forms part of the annual bonus awards for performance during the preceding financial year end.

(A) ANNUAL BONUS AWARDS TO EXECUTIVE DIRECTORS

For performance during the year ended 31 December 2023, the portion of bonus earned by Executive Directors in excess of 50% of salary has been deferred into shares. The date of grant will be determined following the release of the annual report for the relevant performance period.

Plan name	Performance period	Vest date ¹	Fixed amount £'000
ED DBSP 1	Year ended 31 December 2023	1 January 2026	116

1 The vesting of awards is subject to continued employment up to the vest date.

(B) ANNUAL BONUS AWARDS TO DIRECTORS

In previous years, the Remuneration Committee exercised its discretion and in accordance with the DBSP rules, determined that 50% of the annual cash bonus awards for Directors would be awarded as shares. The portion of the bonus award deferred into shares was expensed over the three year period to the date of vest. For the year ended 31 December 2023, the Remuneration Committee intends to make annual bonus awards to Directors in cash rather than deferring a portion of the bonus into shares. Due to this change, the cash bonus awards have been expensed in full and are shown within salaries and Directors fees. The remaining expenses associated with DBSP 4 and DBSP 5 awards that continue to the vesting date are shown within non-underlying (see note 7³).

The following table provides details for each DBSP award for Directors:

Plan name	Performance period	Grant date	Vest date ¹	No. of shares (thousands)	Fixed amount £'000
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	19 April 2022	1 January 2024	67	476
DBSP 5	Year ended 31 December 2022	11 April 2023	1 January 2025	96	679

1 The vesting of awards is subject to continued employment up to the vest date.

Details of movements in the number of shares held within the DBSP schemes at the year end were as follows:

	2023		2022	
	No. of shares (thousands)	£'000	No. of shares (thousands)	£'000
Outstanding at the beginning of the year	109	756	114	614
Awarded	96	680	67	476
Exercised	(48)	(315)	(62)	(267)
Forfeited	(4)	(29)	(10)	(67)
Outstanding at the end of the year	153	1,092	109	756

36.4. OTHER AWARDS

AD HOC AWARDS

The Group may offer ad hoc awards to Directors joining the business. The award is expensed from the start of their employment, with the value being a fixed amount as stated in the employee's offer letter. The number of shares awarded is determined by the mid-market close price at the grant date which is at the next available window since their start date (typically April or September). The awards will vest two years following grant subject to continued employment.

NEW JOINER AWARDS

As part of the Group's commitment to 100% employee share ownership, a share award is made to every employee joining the business. The award is expensed from the start of their employment with the amount based on a pre-determined number of shares as stated in the employee's offer letter. Following successful completion of their probationary period, the shares are granted at the next available window (typically April or September). The awards will vest two years following grant subject to continued employment.

EMPLOYEE REFERRAL SCHEME

As part of the Group's employee referral scheme, permanent employees up to senior manager level are eligible to receive a pre-determined bonus when a referred employee is hired following completion of their probation period. The award is comprised of an initial 50% cash payment and a 50% share award. The number of shares will be calculated using the mid-market close price on the date the referred employee completes their probationary period and expensed from this date. The shares will be granted at the next available window (typically April and September) and will vest one year following grant subject to continued employment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

36. SHARE-BASED PAYMENTS CONTINUED

36.4. OTHER AWARDS CONTINUED

Details of movements in the number of shares are as follows:

	2023		2022	
	No. of shares (thousands)	£'000	No. of shares (thousands)	£'000
Outstanding at the beginning of the year	254	2,104	260	2,102
Awarded ¹	41	296	86	683
Exercised	(89)	(673)	(70)	(451)
Forfeited	(16)	(174)	(22)	(230)
Outstanding at the end of the year	190	1,553	254	2,104

1 In 2021, as part of the RBC cees acquisition, the Group inherited historical 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. During the year, 41,391 shares vested (2022: 52,622 shares), the fair value of the outstanding awards as at 31 December 2023 is £0.3m (2022: £0.5m).

36.5. EXPENSES RECOGNISED DURING THE YEAR

The equity-settled share-based payment expenses recognised during the year, per plan and in total, are as follows:

	2023 £'000	2022 £'000
PSP awards	1,616	879
DBSP awards	471	455
Other awards	747	788
Share-based payments ¹	2,834	2,122
EIP share-based payments	–	4,780
Total share-based payments expense	2,834	6,902

1 The share-based expense in the capital reserve of £4.22m (2022: £2.04m) includes other awards that are 100% cash settled as well as those that are settled 50% cash and 50% equity (2023: £0.12m, 2022: £0.08m); also included is £1.5m contingent consideration for INDOS (see note 17.1).

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 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.

For the year ended 31 December 2023, mainly due to the Euro and US dollar foreign currency exchange rate movements, we have recognised the following:

- a foreign exchange loss of £7.0m in other comprehensive income (2022: £21.3m gain) upon translating our foreign operations to our functional currency; and
- a foreign exchange loss of £9.6m (2022: £14.4m gain) in the consolidated income statement upon the retranslation of monetary assets and liabilities denominated in foreign currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 CONTINUED

39. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

39.1. KEY MANAGEMENT PERSONNEL

The Group has defined key management personnel as Directors and members of senior management who have the authority and responsibility to plan, direct and control the activities of the Group. The remuneration of key management personnel in aggregate for each of the specified categories is as follows:

	2023 £'000	2022 £'000
Salaries and other short-term employee benefits	3,136	2,716
Post-employment and other long-term benefits	119	145
Share-based payments	1,624	979
EIP share-based payments	–	115
Total payments	4,879	3,955

39.2. OTHER RELATED PARTY TRANSACTIONS

The Group's associate, KIG (see note 32), has provided £0.55m of services to Group entities during the year (2022: £0.94m).

39.3. ULTIMATE CONTROLLING PARTY

JTC PLC is the ultimate controlling party of the Group.

40. CONSIDERATION OF CLIMATE CHANGE

As set out in the TCFD disclosures on pages 51 and 52 of this Annual Report, climate change has the potential to give rise to a number of transition risks, physical risks and opportunities.

In preparing the consolidated financial statements, Management have considered the impacts and areas that could potentially be affected by climate-related changes and initiatives. No material impact was identified on the key areas of judgement or sources of estimation uncertainty for the year ended 31 December 2023. Items that may be impacted by climate-related risks and were considered by Management were the recoverability of trade receivables (see note 12) and the cash flow forecasts used in the impairment assessments of goodwill (see note 21.1).

Whilst Management consider there is no material medium-term impact expected from climate change, they are aware of the ever-changing risks related to climate change and will ensure regular assessment of risks against judgements and estimates when preparing the consolidated financial statements.

41. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no other post balance sheets events other than those discussed within the annual report or detailed below.

41.1. ACQUISITION OF BLACKHEATH CAPITAL MANAGEMENT LLP ("BLACKHEATH")

On 4 March 2024, following regulatory approval from the UK Financial Conduct Authority, JTC announced the completion of the acquisition of 100% of the rights, shares and interests in Blackheath, a partnership known for its bespoke asset management and advisory services. Initial consideration of £0.7m was settled in £0.56m cash and through the issuance of 18,435 JTC PLC Ordinary shares. Contingent consideration up to a maximum of £0.7m is payable subject to achieving performance targets for the period to 31 December 2024. This would be due on or before 1 April 2025 and would be settled in a 80%/20% ratio of cash and JTC PLC Ordinary shares.

This acquisition will complement and enhance JTC's existing Global AIFM Solutions businesses in Ireland, Luxembourg and Guernsey and extends our ability to provide Management Company (ManCo) services to UK-domiciled funds.

At the date the consolidated financial statements were authorised for issue, it was impracticable to disclose the information required by IFRS 3 'Business Combinations' as some of the required information was not available.

GLOSSARY

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

ADJUSTED UNDERLYING BASIC EARNINGS PER SHARE

Profit for the year is adjusted to remove the impact of non-underlying items and to remove the amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangements and unwinding of NPV discounts in relation to contingent consideration. It is then divided by the weighted average number of Ordinary shares

AGM

Annual General Meeting

AI

Artificial Intelligence

AIFM

Alternative Investment Fund Manager

AML

Anti-Money Laundering

APM

Alternative performance measures

AUA

Assets under Administration

AUFISCO

Aufisco B.V. and Oak Tree Management B.V.

BALLYBUNION

Ballyunion Capital Limited (now JTC Global AIFM Solutions (Ireland) Limited)

BEIS

UK Government Department for Business, Energy and Industrial Strategy.

BLACKHEATH

Blackheath Capital Management LLP

BOARD OR PLC BOARD

The Board of JTC PLC

BREEAM

Building Research Establishment Environmental Assessment Methodology

CAGR

Compounded Annual Growth Rate

CASH CONVERSION

The ratio of underlying net cash from operating activities compared with underlying EBITDA

CBPE

CBPE Capital, the Private Equity partner in Malbec era

CCO

Chief Commercial Officer

CDP

Carbon Disclosure Project

CEO

Chief Executive Officer

CFO

Chief Financial Officer

CFT

Combating the Financing of Terrorism

CGU

Cash-generating unit

COMPANY

JTC PLC

COO

Chief Operating Officer

COSMOS ERA

Business plan era commencing January 2024

CPF

Counter Proliferation Financing

COVID

The global pandemic caused by Covid-19

CPD

Continuing Professional Development

CRO

Chief Risk Officer

CRS

Common Reporting Standards

CSO

Chief Sustainability Officer

CSR

Corporate Social Responsibility

DBSP

Deferred Bonus Share Plan

DE&I

Diversity, Equity and Inclusion

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

EFS

Essential Fund Services, LLC

EIP

JTC PLC Employee Incentive Plan

EMEA

Europe, Middle East and Africa

ENPS

Employee net promoter score

EPS

Earnings Per Share

ESG

Environmental, Social and Governance

EVF

Employee Voice Forum

EXCO

Executive Committee

FATCA

Foreign Account Tax Compliance Act

FCA

Financial Conduct Authority

FRAMEworks

JTC's proprietary internal performance management system

FRC

Financial Reporting Council

GLOSSARY CONTINUED

FTSE Financial Times Stock Exchange	IFRS International Financial Reporting Standards as adopted by the European Union	MEEM Multi-period excess earnings method financial valuation model	PCS Private Client Services
FVLCD Fair value less costs of disposal	INDOS INDOS Financial Limited	MHFA Mental Health First Aider	PE Private Equity
FVOCI Fair value through other comprehensive income	IPO Initial Public Offering	NED Non-Executive Director	PERFORM perFORM Due Diligence Services Limited
FVTPL Fair value through profit or loss	ISAE 3402 Assurance standard developed by the International Auditing and Assurance Standards Board and supported by the International Federation of Accountants	NET DEBT Total debt and total committed capital distributions less cash and cash equivalents	PLC EBT JTC PLC Employee Benefit Trust
GALAXY ERA Business plan era spanning 2021 to 2023	JOOGLE JTC's global intranet	NET LEVERAGE Total net debt divided by underlying EBITDA (for the LTM at average foreign exchange rates) adjusted for pro-forma contribution from acquisitions and synergies	PRO-FORMA Taking into account a full year's trading
GDP Gross domestic product	KPI Key performance indicator	NET ORGANIC REVENUE GROWTH Revenue growth from clients not acquired through business combinations and reported on a constant currency basis	PSP Performance Share Plan
GHB Group Holdings Board	LSE London Stock Exchange	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	PWC PricewaterhouseCoopers CI LLP
GHG Greenhouse gases, as related to emissions disclosures	LTM Last twelve months	NPV Net present value	R&C Risk and Compliance
GROUP The Company and its subsidiaries	LVW Lifetime Value Won is 14 times annualised value of work won minus value of attrition in past year	NYPTC New York Private Trust Company	RBC CEES RBC cees Limited (now JTC Employer Solutions Limited)
GTS Global Tax Support B.V.	M&A Merger and acquisition	ODYSSEY ERA Business plan era spanning 2018 to 2020	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
H1 First six months of year	MALBEC ERA Business plan era spanning 2012 to 2017	OECD Organisation for Economic Co-operation and Development	ROIC A post-tax return on invested capital
HNW High net worth	MANAGEMENT The Directors of JTC Group Holdings Limited		ROW Rest of the World
IAS International Accounting Standards	MBO Management buyout		S172 STATEMENT Section 172 of the UK Companies Act 2006
ICS Institutional Client Services			SALI SALI Fund Management, LLC and SALI GP Holdings, LLC

GLOSSARY CONTINUED

SASB

Sustainability Accounting Standards Board

SBTI

Science Based Targets initiative

SDTC

TC3 Group Holdings LLC and its subsidiaries, including South Dakota Trust Company LLC

SEGUE

Segue Partners LLC

SHAREHOLDER

Any holder of Ordinary shares at any time

SHARES

The Ordinary shares in the capital of the Company

SONIA

Sterling Overnight Interbank Average Rate

TALISMAN

JTC's proprietary talent management and succession planning programme

TCFD

Task Force on Climate-related Financial Disclosures

THE CODE

The UK Corporate Governance Code 2018

UHNW OR UHNWI

Ultra high net worth or Ultra high net worth individual

UNDERLYING CASH CONVERSION

The ratio of underlying net cash from operating activities compared with underlying EBITDA adjusted to normalise the timing impact of acquired companies

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 LEVERAGE

Total net debt divided by underlying EBITDA

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

UN PRI

UN Principles for Responsible Investment

VIU

Value in use

WACC

Weighted average cost of capital

YOY

Year on Year

INVESTOR RELATIONS INFORMATION

COMPANY

INVESTOR RELATIONS

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THE ROYAL BANK OF SCOTLAND INTERNATIONAL LIMITED

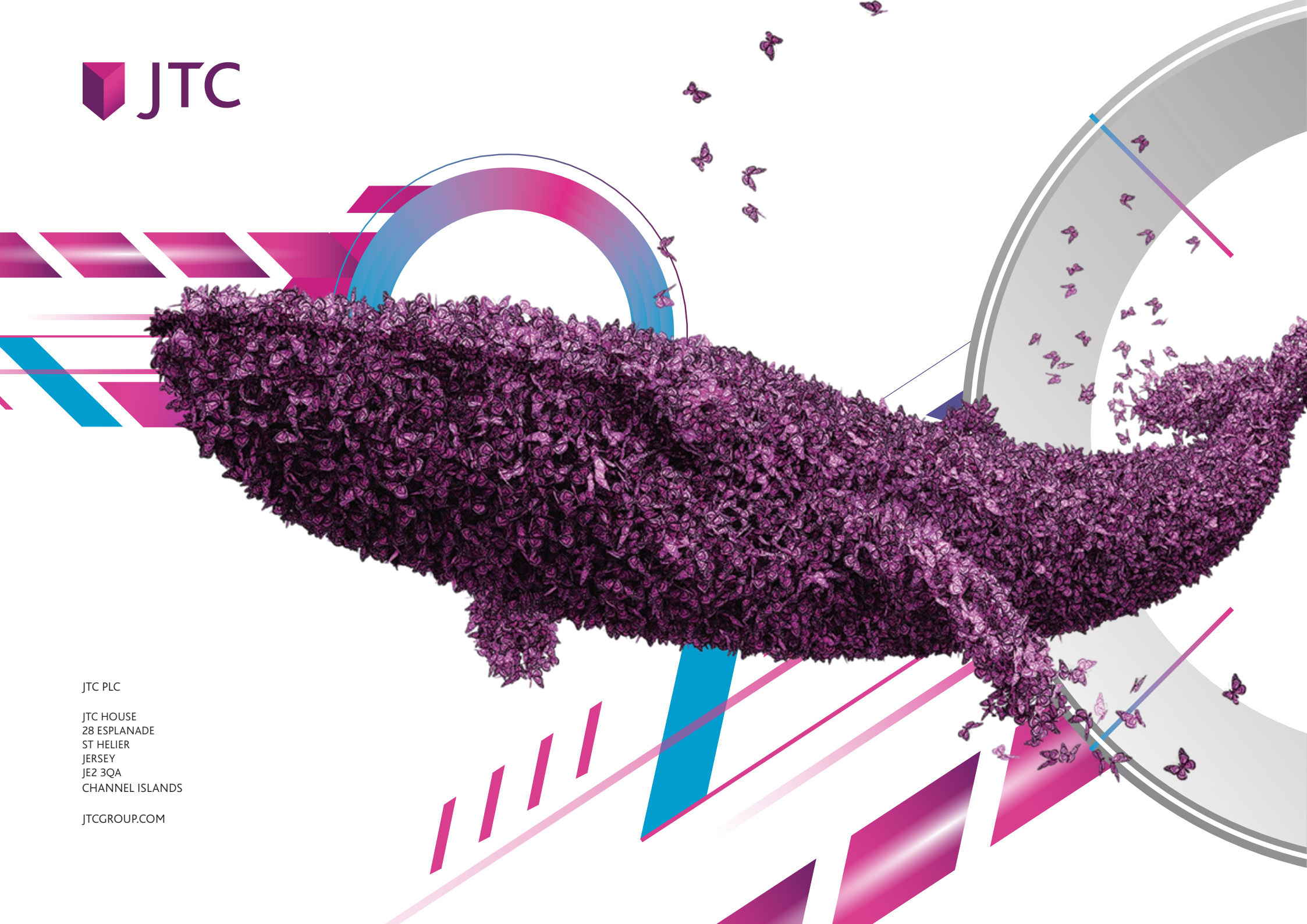
71 Bath Street
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Symbol Freelife Satin is an Environmentally friendly E.C.F. paper sourced from well-managed, responsible FSC®certified forests and other controlled sources. Manufactured from a blend of virgin FSC pulps with a minimum of 40% recycled fibre. Its premium white shade makes this one of the whitest coated papers currently available in the UK.

luminous

Design and production
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JTC PLC

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CHANNEL ISLANDS

JTCGROUP.COM