Registered number: 2214839

# HOMELOAN MANAGEMENT LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | P Braithwaite<br>A Jones<br>J Pattinson<br>N Oldfield (appointed 20 August 2018)<br>G Stran<br>P Ali (appointed 20 August 2018) |
| **Company secretary** | J Dolbear |
| **Registered number** | 2214839 |
| **Registered office** | The Pavilions<br>Bridgwater Road<br>Bristol<br>BS13 8AE |
| **Independent auditors** | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>2 Glass Wharf<br>Bristol<br>BS2 0FR |

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# STRATEGIC REPORT
# FOR THE YEAR ENDED 30 JUNE 2018

## Introduction

Homeloan Management Limited ("HML") is a leading provider of business process and information outsourcing solutions to the financial services sector. The business operates from Skipton, Crossflatts, Doxford and Londonderry in the United Kingdom.

HML forms part of the Loan Services division within the Computershare group ("CLS"). CLS is the market leader in the UK third party mortgage administration services market, with more than 25 years' experience of working with some of the worlds' largest financial institutions.

## Business review

The Directors of HML report a decrease in the operating loss from £9,426 thousand for the year ended 30 June 2017 to £6,073 thousand for the year ended 30 June 2018.

As part of CLS, HML has a growth strategy comprising four pillars: attract and retain clients, innovate in products and technology, deliver excellent service and inspire its people. Good progress is being made on each pillar.

The year to 30 June 2018 saw some key developments in the market these included:

- Continued growth of challenger banks a number of whom have chosen to outsource to HML
- On-going asset sales by key CLS clients – positively the servicing was retained on all assets sold
- On-going asset sales in the Irish market creating opportunities for future growth

HML's management team has continued to drive costs down in key areas, notably as a result of continued integration with other companies within the CLS division as well as integration into the Computershare Group.

Most notably during the year the Company successfully supported a number of key new lending clients as they entered the mortgage administration market for the first time and effectively migrated the first tranche of clients assets from the CLS group onto its own mortgage administration platform as part of the overall integration program.

## Principal risks and uncertainties and Financial risk management

### Regulatory environment

The regulatory environment in which HML operates continues to be intense but HML considers that this provides an opportunity for HML to cement its reputation as amongst the industry leaders on regulatory matters. HML maintains robust systems and controls and its risk management framework is regularly highlighted as a key strength of the business in the annual service reports.

### Market conditions

The UK mortgage market has remained stable over the last 12 months with modest growth in some areas and slight contraction in others.

The Company is monitoring developments in relation to the Brexit negotiations and will review any final guidance on the future trading relations with its clients and suppliers as these become available.

In order to maintain its market leading position, HML has focused on new market entrants as well as continuing to develop new products and alternative lines of business. These are focused in new and complementary markets where HML's IT platform and operational experience can be further utilised.

HML also continue to invest in the control environment focusing on improved operational management information, incentives, training and management development.

### Operational risk and operational losses

The primary risk type that HML is exposed to is Operational Risk. As part of its robust risk management framework, HML has controls and processes in place to manage operational risk and in 2018 introduced a new Enterprise Risk system to further enhance the risk and control environment

Provisions are made for specific operational loss cases as and when the necessary criteria are met (in accordance with IAS 37). Details of the Operational Losses provision can be found in note 20.

### Credit risk

The Company is exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when they fall due and makes provision for impairment as set out in note 2.8.

Management carefully manages its exposure to credit risk through close client relationships and regular account monitoring. The carrying amount of financial assets net of impairment represents the maximum credit exposure.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. The Directors believe they have minimal exposure to liquidity risk.

The Company's financial liabilities are disclosed in note 18; including amounts due to the ultimate parent undertaking and fellow subsidiary companies, which are repayable on demand. Consequently, no table of contractual cash flows has been disclosed.

### Foreign currency risk

Foreign currency risk arises from the potential change in the exchange rate of Sterling in relation to the Euro. The Company has a number of contracts with clients resident in the Republic of Ireland. Those contracts are denominated in Euros. The costs of servicing those contracts are incurred in both euros and sterling. Management review the financial value of these contracts to the Company and the exposure the Company has to the euro cost base on a regular basis. If considered necessary the Company will hedge its foreign exchange exposure by purchasing put options (options to sell Euros) at a rate that will maintain the sterling value of its income streams.

**Financial key performance indicators**

**Financial performance**
The results for the year are shown in the Statement of Comprehensive Income on page 10, and the notes thereto. HML made an operating loss of £6,073 thousand (2017: £9,426 thousand) before interest and dividend income, resulting in a loss before taxation for the year of £5,704 thousand (2017: £8,676 thousand).

The improved position is through the continued success of its cost saving program, migration of clients assets onto the HML platform and support of new lenders originating loans in the market which have contributed towards an increase in the portfolio of assets under administration (as detailed in the key performance indicators below).

The Directors envisage the financial performance to improve further as HML will receive the full year benefits of these initiatives in FY19 and the migration of clients assets to HML continues as part of the overall CLS integration program. The balance sheet and cash position remained strong at 30 June 2018 with eligible capital comfortably in excess of the regulatory minimum at 141% (2017: 130%) and cash at bank and in hand at £1,557 thousand (2017: £6,714 thousand).

**Key performance indicators (KPIs)**

The following KPIs are used by management to monitor the growth and general financial performance of the business.

| | **2018** | **2017** |
|---|---|---|
| Assets under management (year end) | £32.7bn | £28.1bn |
| Loss before taxation | £(5,704)k | £(8,676)k |
| Operating loss | £(6,073)k | £(9,426)k |

The increase in assets under management is primarily due to the migration of assets to HML's mortgage administration platform as part of the overall CLS integration program.

The improved loss figure is discussed in the Financial Performance commentary above.

The financial statements on pages 10 to 38 were approved by the Board of Directors on 15 October 2018 and signed on its behalf.

**P Ali**
Director

## Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

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

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

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

## Branches outside the UK

A branch of the Company was opened in Dublin, Ireland in 2013.

## Results and dividends

The loss for the financial year, after taxation, amounted to £5,843 thousand (2017 - loss £8,749 thousand).

The Directors do not propose a final dividend to be paid (2017: £ nil), nor was an interim dividend paid (2017: £ nil) during the year.

## Directors

The Directors who served during the year were:

P Braithwaite
A Jones
J Pattinson
N Sarkar (resigned 20 August 2018)
N Oldfield (appointed 20 August 2018)
G Stran
P Costigan (resigned 20 August 2018)
P Ali (appointed 20 August 2018)

**Political contributions**

The Company made no contributions for political purposes in the year (2017: £Nil).

**Principal risks and uncertainties**

**Future developments**

The Company intends to develop and growing the business under the four pillars identified in the strategic report; namely attracting and retaining clients, innovating in products and technology, delivering excellent service and inspiring its people.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 3. The financial position of the Company and liquidity position are described in the Company financial statements on pages 10 to 38.

Despite the continuing difficult economic environment, the Company is in a net asset position and through the ongoing cost reduction initiatives and continued migration of CLS's clients assets to HML as part of the CLS integration program the Directors consider that the outlook remains favourable for the Company in the forthcoming year.

For these reasons, the Directors continue to adopt the going concern basis of accounting in the financial statements.

**Financial risk management**

The Company's operations expose it to a variety of risks that include credit and liquidity risk. Further detail on this is provided in both the strategic report under the principal risks and uncertainties as well as in the notes to the financial statements.

**Disabled employees**

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

**Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased insurance in respect of itself and its directors.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

**Employees**

Details of the number of employees and their related costs can be found in note 8 to the financial statements on page 24.

**Matters covered in the strategic report**

The Company's business review, details of principle risks and uncertainties and the key financial performance indicators are included within the strategic report.

**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 October 2018 and signed on its behalf.

P Ali
Director

# *Independent auditors' report to the members of Homeloan Management Limited*

## Report on the audit of the financial statements

### Opinion

In our opinion, Homeloan Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2018; the statement of comprehensive income and the statement of changes in equity for the year ended 30 June 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## Responsibilities for the financial statements and the audit

*Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibility statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 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; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
15 October 2018

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018<br>£000 | 2017<br>£000 |
|---|---|---|---|
| Turnover | 4 | 45,372 | 46,716 |
| Cost of sales | | (30,557) | (30,465) |
| **Gross profit** | | 14,815 | 16,251 |
| Administrative expenses | | (20,888) | (27,177) |
| Other operating income | 5 | - | 1,500 |
| **Operating loss** | 6 | (6,073) | (9,426) |
| Income from shares in group undertakings | | 400 | 750 |
| Interest receivable and similar income | 10 | 2 | - |
| Interest payable and similar expenses | 11 | (33) | - |
| **Loss before tax** | | (5,704) | (8,676) |
| Tax on loss | 12 | (139) | (73) |
| **Loss for the financial year** | | (5,843) | (8,749) |

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£000NIL).

## BALANCE SHEET
## AS AT 30 JUNE 2018

| | Note | | 2018 £000 | | 2017 £000 |
|---|---|---|---|---|---|
| Intangible assets | 13 | | 852 | | 1,970 |
| Tangible fixed assets | | | 195 | | 337 |
| Investments | 15 | | 281 | | 281 |
| | | | 1,328 | | 2,588 |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 16 | 1,042 | | 1,337 | |
| Debtors: amounts falling due within one year | 16 | 26,276 | | 10,379 | |
| Cash at bank and in hand | | 1,557 | | 6,714 | |
| | | 28,875 | | 18,430 | |
| Creditors: amounts falling due within one year | 17 | (21,601) | | (10,632) | |
| **Net current assets** | | | 7,274 | | 7,798 |
| **Total assets less current liabilities** | | | 8,602 | | 10,386 |
| **Provisions for liabilities** | | | | | |
| Other provisions | 20 | (1,350) | | (1,361) | |
| | | | (1,350) | | (1,361) |
| **Net assets** | | | 7,252 | | 9,025 |

## BALANCE SHEET (CONTINUED)
## AS AT 30 JUNE 2018

| | Note | 2018 £000 | 2017 £000 |
|---|---|---|---|
| **Capital and reserves** | | | |
| Called up share capital | 21 | 6,852 | 2,852 |
| Share premium account | | 180 | 180 |
| Other reserves | | 280 | 280 |
| Share based payments | | 666 | 596 |
| Profit and loss account | | (726) | 5,117 |
| | | 7,252 | 9,025 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 October 2018.

**P Ali**
Director

The notes on pages 15 to 38 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2018

| | Called up share capital | Share premium account | Other reserves | Share based payments | Profit and loss account |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 July 2017 | 2,852 | 180 | 280 | 596 | 5,117 |
| Loss for the financial year | - | - | - | - | (5,843) |
| **Total comprehensive income for the year** | - | - | - | - | (5,843) |
| Shares issued during the year | 4,000 | - | - | - | - |
| Capital contributions in respect of share based payments charge | - | - | - | 70 | - |
| **Total transactions with owners** | 4,000 | - | - | 70 | - |
| **At 30 June 2018** | 6,852 | 180 | 280 | 666 | (726) |

| | Total equity |
|---|---|
| | £000 |
| At 1 July 2017 | 9,025 |
| Loss for the financial year | (5,843) |
| **Total comprehensive income for the year** | (5,843) |
| Shares issued during the year | 4,000 |
| Capital contributions in respect of share based payments charge | 70 |
| **Total transactions with owners** | 4,070 |
| **At 30 June 2018** | 7,252 |

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2017

| | Called up share capital | Share premium account | Other reserves | Share based payments | Profit and loss account |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 July 2016 | 2,852 | 180 | 280 | 381 | 13,866 |
| Loss for the financial year | - | - | - | - | (8,749) |
| **Total comprehensive expense for the year** | - | - | - | - | (8,749) |
| Capital contribution in respect of share based payments charge | - | - | - | 215 | - |
| **At 30 June 2017** | 2,852 | 180 | 280 | 596 | 5,117 |

| | Total equity |
|---|---|
| | £000 |
| At 1 July 2016 | 17,559 |
| Loss for the financial year | (8,749) |
| **Total comprehensive expense for the year** | (8,749) |
| Capital contribution in respect of share based payments charge | 215 |
| **At 30 June 2017** | 9,025 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

## 1. General information

Homeloan Management Limited ("the Company") is a private limited company limited by shares and incorporated and domiciled in the United Kingdom.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Directors have taken advantage under section 401 of the Companies Act 2006 not to prepare consolidated financial statements as the Company is included by full consolidation in the consolidated financial statements of its ultimate parent, Computershare Limited (Australia), a company registered in Australia. The financial statements of Computershare Limited (Australia) are publicly available.

## 2. Accounting policies (continued)

### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The following principal accounting policies have been applied:

### 2.3 Going concern

The financial statements of the Company have been prepared on a going concern basis, which the Directors believe to be appropriate. Based on the performance and expected outlook of the business, the Directors are satisfied that the Company has adequate resources to continue to trade for the foreseeable future.

## 2. Accounting policies (continued)

### 2.4 Turnover

Turnover, which excludes value added tax, represents total invoiced sales of the Company. Servicing fees are typically invoiced at the end of the month in which the services are performed. Where contractual arrangements require invoices to be raised less frequently, turnover is accrued (or deferred as appropriate) such that the turnover recognised in the period reflects that period's actual sales.

Turnover for services outside of core contractual obligations (such as for ad hoc projects) is recognised according to the degree of completion of the work. The stage of completion is assessed by reference to surveys of work completed and comparison with the agreed scope of works.

### 2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

| | | |
|---|---|---|
| Software | - | % between 20% and 33% per annum on cost |

### 2.6 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Motor vehicles | - | 12.5% |
| Fixtures and fittings | - | 20.0% |
| Office equipment | - | 12.5% |
| Computer equipment | - | 25.0% |
| Leasehold improvements | - | 10.0% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

## 2. Accounting policies (continued)

### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

**At amortised cost**

## 2. Accounting policies (continued)

### 2.10 Financial instruments (continued)

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet.

### 2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.12 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

### 2.13 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2. Accounting policies (continued)

### 2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

### 2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.16 Pensions

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

## 2. Accounting policies (continued)

### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

### 2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.20 Intangible assets

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amount of assets and liabilities within the next financial year. The Company also has to make judgements in applying its accounting policies which affect the amounts recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Impairment of intangible assets

Intangible assets are regularly reviewed for objective evidence of impairment. In determining whether objective evidence exists, the Company considers the present value of future benefits and rewards expected to derive from the use of the asset. Such benefits may include increased revenue or cost reduction. If the value of the benefits is considered to be less than the carrying value of the asset then the Directors assess whether any impairment should be made.

## 4. Turnover

Analysis of turnover by country of destination:

| | 2018 £000 | 2017 £000 |
|---|---|---|
| United Kingdom | 42,372 | 43,143 |
| Rest of Europe | 3,000 | 3,573 |
| | 45,372 | 46,716 |

## 5. Other operating income

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Other operating income | - | 1,500 |
| | - | 1,500 |

## 6. Operating loss

The operating loss is stated after charging / (crediting):

| | 2018<br>£000 | 2017<br>£000 |
|---|---|---|
| Depreciation of tangible fixed assets | 169 | 262 |
| Amortisation of intangible assets | 1,118 | 1,795 |
| Exchange differences | (33) | (104) |
| Rentals payable under operating leases | 2,084 | 2,353 |
| Staff costs (note 8) | 32,647 | 34,151 |

## 7. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

| | 2018<br>£000 | 2017<br>£000 |
|---|---|---|
| Fees for the audit of the Company | 52 | 52 |
| Other fees payable | 150 | 150 |
| | 202 | 202 |

## 8. Employees

Staff costs, including Directors' remuneration, were as follows:

| | 2018<br>£000 | 2017<br>£000 |
|---|---|---|
| Wages and salaries | 29,314 | 30,327 |
| Social security costs | 2,088 | 2,412 |
| Cost of defined contribution scheme | 1,245 | 1,412 |
| | 32,647 | 34,151 |

The average monthly number of employees (full time equivalent), including the Directors, during the year was as follows:

| | 2018<br>No. | 2017<br>No. |
|---|---|---|
| Directors | 6 | 7 |
| Other | 744 | 855 |
| | 750 | 862 |

## 9. Directors' remuneration

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Directors' emoluments | 1,588 | 974 |
| Company contributions to defined contribution pension schemes | 2 | 29 |
| | 1,590 | 1,003 |

During the year retirement benefits were accruing to 1 Director (2017 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £944 thousand (2017 - £379 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £2 thousand (2017 - £16 thousand).

The emoluments of Mr Braithwaite, Mr Jones, Mr Pattinson and Mr Stran are paid by the company, these individuals are also directors of a number of other companies in the Computershare Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of these companies. There total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the company.

The emoluments of the other directors are paid by Computershare Investor Services PLC which makes no recharge to the company, these individuals are also directors of a number of other companies in the Computershare Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies. Accordingly, the above details include no emoluments in respect of these other directors. There total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Computershare Investor Services PLC.

## 10. Interest receivable and similar income

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Other interest receivable | 2 | - |
| | 2 | - |

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## 11. Interest payable and similar expenses

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Loans from group undertakings | 33 | - |
| | 33 | - |

## 12. Tax on loss

| | 2018 £000 | 2017 £000 |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | - | 3 |
| Adjustments in respect of previous periods | 11 | - |
| **Total current tax** | 11 | 3 |
| **Deferred tax** | | |
| Current year | (8) | (175) |
| Adjustments in respect of previous periods | 135 | 177 |
| Effect of changes in tax rates | 1 | 68 |
| **Total deferred tax** | 128 | 70 |
| **Taxation on profit on ordinary activities** | 139 | 73 |

## 12. Tax on loss (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Loss on ordinary activities before tax | (5,704) | (8,676) |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%) | (1,084) | (1,714) |
| **Effects of:** | | |
| Tax rate changes | 1 | 68 |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 6 | 8 |
| Adjustments to tax charge in respect of prior periods | 147 | 181 |
| Non-taxable income | (87) | (148) |
| Share options | (36) | (32) |
| Group relief | 1,192 | 1,710 |
| **Total tax charge for the year** | 139 | 73 |

The Company has surrendered tax losses of £6,272 thousand (2017: £8,658 thousand) with a tax effect of £1,192 thousand (2017: £1,710 thousand) to fellow subsidiary undertakings for no payment. Therefore no tax losses are available to carry forward.

### Factors that may affect future tax charges

The main UK corporation tax rate is 19% throughout the year ended 30 June 2018, but it will be reduced to 17% from April 2020 following Royal Assent on 15 September 2016. Deferred tax is therefore provided at 17%.

## 13. Intangible assets

| | Software £000 |
|---|---|
| **Cost** | |
| At 1 July 2017 | 28,417 |
| Disposals | (19,776) |
| At 30 June 2018 | 8,641 |
| **Amortisation** | |
| At 1 July 2017 | 26,447 |
| Charge for the year | 1,118 |
| On disposals | (19,776) |
| At 30 June 2018 | 7,789 |
| **Net book value** | |
| At 30 June 2018 | 852 |
| At 30 June 2017 | 1,970 |

Amortisation has been charged to administrative expenses within the statement of comprehensive income.

## 14. Tangible assets

| | Motor vehicles £000 | Fixtures and fittings £000 | Office equipment £000 | Computer equipment £000 | Leasehold improve-ments £000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 July 2017 | 20 | 3,811 | 2,151 | 7,861 | 90 |
| Additions | - | 36 | - | - | - |
| Disposals | (7) | - | (430) | - | (1) |
| At 30 June 2018 | 13 | 3,847 | 1,721 | 7,861 | 89 |
| **Depreciation** | | | | | |
| At 1 July 2017 | 8 | 3,623 | 2,137 | 7,806 | 23 |
| Charge for the year on owned assets | 4 | 5 | 8 | 134 | 18 |
| Disposals | - | - | (430) | - | - |
| Transfers between classes | - | 149 | - | (149) | - |
| At 30 June 2018 | 12 | 3,777 | 1,715 | 7,791 | 41 |
| **Net book value** | | | | | |
| At 30 June 2018 | 1 | 70 | 6 | 70 | 48 |
| At 30 June 2017 | 12 | 189 | 14 | 55 | 67 |

## 14. Tangible assets (continued)

| | Total £000 |
|---|---|
| **Cost** | |
| At 1 July 2017 | 13,933 |
| Additions | 36 |
| Disposals | (438) |
| At 30 June 2018 | 13,531 |
| **Depreciation** | |
| At 1 July 2017 | 13,597 |
| Charge for the year on owned assets | 169 |
| Disposals | (430) |
| Transfers between classes | - |
| At 30 June 2018 | 13,336 |
| **Net book value** | |
| At 30 June 2018 | 195 |
| At 30 June 2017 | 337 |

## 15. Investments

| | Investment in subsidiary companies £000 |
|---|---|
| **Cost** | |
| At 1 July 2017 | 281 |
| At 30 June 2018 | 281 |
| **Net book value** | |
| At 30 June 2018 | 281 |
| At 30 June 2017 | 281 |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Country of incorporation | Holding | Principal activity |
|---|---|---|---|
| Baseline Capital Limited | UK | 100% | Provision of management analytics services |
| KB Analytics Limited | UK | 100% | Dormant |
| Mortgage Systems Limited | UK | 100% | Dormant |
| HML Mortgage Services Ireland Limited | UK | 100% | Dormant |

## 15. Investments (continued)

The address of the registered office of Baseline Capital Limited is: The Pavilions, Bridgwater Road, Bristol BS13 8AE.

The address of the registered office of KB Analytics Limited is: The Pavilions, Bridgwater Road, Bristol BS13 8AE.

The address of the registered office of Mortgage Systems Limited is: The Pavilions, Bridgwater Road, Bristol BS13 8AE.

The address of the registered office of HML Mortgage Services Ireland Limited is: Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18

The aggregate of the share capital and reserves as at 30 June 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £000 | Profit £000 |
|---|---|---|
| Baseline Capital Limited | 698 | 333 |
| | 698 | 333 |

## 16. Debtors

| | 2018 £000 | 2017 £000 |
|---|---|---|
| **Due after more than one year** | | |
| Prepayments and accrued income | 274 | 441 |
| Deferred tax asset (note 19) | 768 | 896 |
| | 1,042 | 1,337 |

| | 2018 £000 | 2017 £000 |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | 5,192 | 6,448 |
| Amounts owed by group undertakings | 18,971 | 1,954 |
| Other debtors | 242 | 204 |
| Prepayments and accrued income | 737 | 1,603 |
| Tax recoverable | 1,134 | 170 |
| | 26,276 | 10,379 |

## 16. Debtors (continued)

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## 17. Creditors: Amounts falling due within one year

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Amounts owed to group undertakings | 13,567 | 2,320 |
| Other taxation and social security | 2,427 | 535 |
| Other creditors | - | 220 |
| Accruals and deferred income | 5,607 | 7,557 |
| | 21,601 | 10,632 |

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

## 18. Financial instruments

| | 2018 £000 | 2017 £000 |
|---|---|---|
| **Financial assets** | | |
| Financial assets that are debt instruments measured at amortised cost | 25,962 | 15,320 |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | (13,567) | (2,540) |

Financial assets measured at amortised cost comprise of amounts owed by Group companies, trade debtors, cash at bank and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to Group companies and other creditors.

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## 19. Deferred taxation

| | 2018 £000 | 2017 £000 |
|---|---|---|
| At beginning of year | 896 | 966 |
| Charged to profit or loss | (128) | (70) |
| **At end of year** | 768 | 896 |

The deferred tax asset is made up as follows:

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Accelerated capital allowances | 403 | 587 |
| Temporary differences | 365 | 309 |
| | 768 | 896 |

The Directors believe it more likely than not that the Company will generate sufficient future profits to realise the deferred tax asset and it has therefore been recognised in the financial statements. There are no unrecognised deferred tax assets or liabilities.

## 20. Other provisions

| | Operational issues £000 | Annual leave provision £000 | Total £000 |
|---|---|---|---|
| At 1 July 2017 | 774 | 587 | 1,361 |
| Charged to profit or loss | (6) | (5) | (11) |
| **At 30 June 2018** | 768 | 582 | 1,350 |

**Operational issues**
The provision is made for estimated compensation payments resulting from past operational issues. Compensation is made following internal investigation and agreement with the client.

**Annual leave provision**
The annual leave provision relates to annual leave not taken at the year end.

## 21. Called up share capital

| | 2018<br>£000 | 2017<br>£000 |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 6,851,760 (2017 - 2,851,760) Ordinary shares shares of £1.00 each | 6,852 | 2,852 |

## 22. Share based payments

During the year and the preceding year the Company's directors and employees benefited from two types of share-based payment arrangement.

**Share incentive Plan**
Under the terms of the Share Incentive Plan, employees may elect to purchase shares in the ultimate parent via monthly deductions from their gross salary. The purchased shares are matched like-for-like by requesting the employing company to purchase matching shares for allocation to the employee concerned. The matching shares vest fully after three years. The employee is entitled to the economic benefit of dividends on the matching shares from the date of allocation and there are no conditions attaching to the matching shares apart from continued employment with the company. The fair value of matching shares is the market value of those shares on the date of allocation to the employee.

**Deferred incentive awards**
The ultimate parent company provides deferred incentive awards for key management personnel on a discretionary basis. The market value of shares issued to employees for no cash consideration is recognised as a personnel expense over the vesting period with a corresponding increase in the capital contribution reserve. There have been no changes to the terms and conditions of deferred incentive awards since the dates of grant. The fair value of such awards is the market value of the shares on the date of grant.

The statement of comprehensive income charge for each element of the company's share-based payments was as follows:

| | 2018<br>£000 | 2017<br>£000 |
|---|---|---|
| Share Incentive Plan | 284 | 203 |
| Deferred Incentive Plan | 71 | 215 |
| | 355 | 418 |

**Share incentive plan**
The number of shares outstanding at the end of the year was 86 thousand (2017 - 74 thousand). The weighted average market price of the ultimate parent's shares on the dates on which the awards were granted during the year was AUD16.90 (2017 - AUD12.63).

**Deferred incentive plan**
The number of shares outstanding at the end of the year was 27 thousand (2017 - 45 thousand). The weighted average market price of the ultimate parent's shares on the dates on which the awards were granted during the year was AUD14.56 (2017 - AUD10.99).

## 23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,245 thousand (2017: £1,412 thousand). Contributions totalling £nil (2017: £nil) were payable to the fund at the balance sheet date and are included in creditors.

## 24. Commitments under operating leases

At 30 June the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £000 | 2017 £000 |
|---|---|---|
| Not later than 1 year | 1,568 | 1,890 |
| Later than 1 year and not later than 5 years | 5,200 | 5,483 |
| Later than 5 years | 1,950 | 3,250 |
| | 8,718 | 10,623 |

## 25. Related party transactions

The Company undertook no transactions with related parties other than parties 100% owned within the Group and therefore exempt from disclosure under FRS101.

## 26. Controlling party

Homeloan Management Limited is controlled and 100% owned by Computershare Investments (UK) (No. 3) Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Computershare Limited ("Computershare Limited (Australia)"), a company incorporated in Australia under ACN 005485825, which ultimately holds 100% of the share capital in Homeloan Management Limited and Computershare Investments (UK) (No. 3) Limited.

The smallest and largest group in which Homeloan Management Limited is a member and for which group financial statements are drawn up is the Computershare Limited (Australia) group. The consolidated financial statements of this group can be obtained from Computershare Limited, 452 Johnston Street, Abbotsford, Victoria 3067, Australia. These may also be found at Computershare's website www.computershare.com.