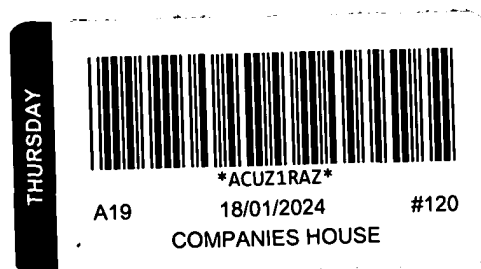

HOMELoAN MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023



HOMELOAN MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	A Jones T Franklin N Oldfield R Banks P Ali
Company secretary	L K Botha
Registered number	02214839
Registered office	The Pavilions Bridgwater Road Bristol Avon BS13 8AE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf, Temple Quay Bristol BS2 0FR

HOMELoAN MANAGEMENT LIMITED

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HOMELoAN MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

Homeloan Management Limited ("HML") is a leading provider of UK third party mortgage administration services to the financial services sector. HML forms part of the Loan Services division within the Computershare group – Computershare Loan Services ("CLS"), with more than 30 years' experience of working with some of the world's largest financial institutions.

Business review

The directors of HML report an operating profit of £1,508 thousand for the year ended 30 June 2023 compared to an operating profit of £4,075 thousand for the year ended 30 June 2022. The reduction in operating profit of £2,567 thousand was due to a fall in gross profit of £865 thousand, and an increase in Administration Expenses of £1,702 thousand. The fall in gross profit was mainly driven by Assets Under Management falling to £28.9bn (compared to £31.8bn at prior year end) partially offset by increased service volumes. The increase in Administration Expenses was due to investments made into the customer service area of the business and additional resource requirements supporting the increased service volumes.

The year to 30 June 2023 saw some key developments in the market including:

- UK gross mortgages advances fell by 6.6% during the year compared to prior year.
- The value of gross mortgage advances in Q2 2023 at £52.4bn was 32.8% lower than Q2 2022.

With the economic landscape having undergone a material change influenced by factors such as the conflict in Europe, high inflation and higher costs of borrowing, Management are pro-actively reviewing the business and making appropriate decisions in order to position HML well for the future. Whilst doing this Management are maintaining a strong focus on conduct risk, supporting borrowers in financial difficulty and also working hard to ensure an effective implementation of New Consumer Duty.

HOMELoAN MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties and financial risk management

Regulatory environment

HML continues to operate in a highly regulated environment and HML has systems and controls in place to ensure it effectively manages its regulatory and compliance risks. HML continues to invest heavily in the implementation of new regulatory requirements especially in relation to ensuring a successful implementation of New Consumer Duty.

Market conditions

The mortgage lending market continued to be challenging during the financial year with UK wide lending volumes down materially year on year. The market proved particularly challenging for securitization backed lenders to price competitively and the larger retail backed lenders continued to dominate the market.

Arrears volumes continued to increase particularly in the BTL segment of the market. Whilst 1+ residential arrears increased the rate of increase was less significant than many expected.

The pace of interest rate rises through the year placed further pressure on customers on SVR's to move to lower rate fixed rate products where they could, and we expect this trend to continue into the new financial year.

Operational risk and operational losses

The primary risk type that HML is exposed to is operational risk and as part of its robust risk management framework, HML has controls and processes in place to manage operational risk.

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

Credit risk

The Company is also exposed to credit risk, to the extent that counterparties will be unable to pay amounts in full when they fall due and makes provision for impairment as set out in note 2.12.

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.

As part of its origination offering, at no point in a mortgage's lifespan is the Company exposed to any mortgage underwriting credit risk.

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 always maintains adequate cash facilities, with support from Computershare Limited (Australia), in order to meet all its commitments as and when they fall due. The directors believe they have minimal exposure to liquidity risk.

HOMELoAN MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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.

Interest and inflation rates

Most client contracts allow fees to be increased in response to higher inflation although the full impact cannot always be passed on. If client arrears volumes were to rise as a result of macro-economic factors then associated revenues would also increase. If the mortgage market slowed resulting in lower redemptions, then associated fees would reduce in the short term but the total assets under management would be higher resulting in increased servicing revenue in the future.

Financial key performance indicators

Financial performance

The results for the year are shown in the Statement of Comprehensive Income on page 14 and the notes thereto. HML made an operating profit of £1,508 thousand (2022: £4,075 thousand) before interest and dividend income, resulting in a profit before taxation for the year of £1,508 thousand (2022: £4,487 thousand). The financial performance is commented on in the Business Review section above.

The Balance Sheet and cash position remained strong at 30 June 2023 with eligible capital in excess of the regulatory minimum at 242% (2022: 225%) and cash at bank and in hand at £5,075 thousand (2022: £12,035 thousand).

Key performance indicators (KPIs)

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

	2023	2022
Assets under management (year-end)	£28.9bn	£31.8bn
Profit before taxation	£1,508k	£4,487k
Operating profit	£1,508k	£4,075k

The decrease in assets under management is due to the natural reduction in the clients' closed books as mortgages redeem.

The reduction in operating profit is discussed in the Financial Performance commentary above.

HOMELoAN MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Directors' statement of compliance with duty to promote the success of the Company

Under Section 172 (1) of the Companies Act 2006, a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

The following paragraphs summarise how the directors fulfil their duties:

- (a) The Company is wholly owned by Computershare Investments (UK) No.3 Limited and the ultimate parent undertaking is Computershare Limited, a Company incorporated in Australia. As such the directors always operates to the standards set by the Computershare Group ('Group') of which it is a member. Any decision taken will be aligned to the strategy of the wider Group and is made in the best interests of all stakeholders. Impacts of any decisions will be determined through ongoing risk assessment conducted with all relevant stakeholders. The Company strategy is regularly reviewed by the Board, is aligned to the key priorities set by Group and is presented to and agreed by Group. The Board has delegated responsibility for the day to day management and administration of the business to the CLS Chief Executive Officer who manages the companies in accordance with the strategy, plans and policies approved by the Board. The Chief Executive Officer chairs weekly Executive Leadership Team meetings where decisions are aligned to the approved Board strategy.
- (b) The directors are committed to driving a responsible business. Our behaviour is aligned to our people, clients, investors, communities and society as a whole. Our commitment to our people is aligned to the People disclosures in the Computershare Group Annual Report. We recognise that success is driven by the quality and capabilities of our people and that looking after employees is in the best interests of all stakeholders. The directors undertake regular staff surveys and management build action plans based on the feedback which are reviewed by the Executive Leadership Team, encouraging employee participation. In response to the COVID-19 pandemic over 90% of the Company's workforce were working from home with technology and other support being provided. Employees have now moved to a mixture of office based, home and hybrid working to meet Company and individual needs.
- (c) The directors recognise the importance of building strong relationships with suppliers and customers actively engage with representatives of contracting parties to ascertain their views and take them into account. The Company operates a Supplier Relationship Forum, leverages the wider Computershare Group procurement activity and has dedicated Client Relationships Managers. We also foster strong relationships and have regular contact with the FCA and other regulators.
- (d) The directors recognise the importance of social and environmental activities and seek to manage them responsibly. We work closely to support our local community and have supported a number of initiatives and good causes during the year. Our approach to Corporate Responsibility is aligned to the disclosures in the Computershare Group Annual Report. The Company donated to Depaul UK, a youth homelessness charity helping young people who become homeless across the UK, Shelter which is a charity that campaigns for tenant rights giving advice, information and advocacy to people in the UK and St Mungo Community Housing Association who work to prevent homelessness and support people at every step of their recovery from homelessness.

HOMELoAN MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

(e) The Board operates a Computershare Loan Services Governance Framework which sets out the Board governance arrangements. The Board discharges its responsibilities through the following Committees of the Board:

- CLS Audit and Compliance Committee
- CLS Risk Committee
- CLS Remuneration Committee
- CLS Nomination Committee

The directors operate strong risk, governance and oversight controls to ensure that high standards of business conduct are observed.

All employees and directors within the Group are required to follow the Computershare Code of Conduct, that sets out the principles and standards with which they are expected to comply as they perform their functions. We recognise that to protect and enhance our reputation, all employees must conduct themselves in accordance with the highest standards of personal integrity. This is critical to ensuring all stakeholders, from clients to investors and suppliers can have confidence in all aspects of our business.

A copy of the Group's board approved Code of Conduct, and other policies and charters noted above are available from the Corporate Governance section of <http://www.computershare.com/governance>.

(f) The Company is a wholly owned subsidiary of Computershare Investments (UK) No.3 Limited ('CIN3') and the directors are committed to openly engaging with the Board and Management of CIN3.

This report was approved by the Board on 12 October 2023 and signed on its behalf.



P Ali
Director

HOMELoAN MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the audited financial statements for the year ended 30 June 2023.

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,369 thousand (2022 - £3,870 thousand).

The directors do not propose a final dividend to be paid (2022: £nil). An interim dividend of £1,000 thousand was paid (2022: £nil) during the year.

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

A Jones
T Franklin
N Oldfield
R Banks
P Ali

HOMELOAN MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Political contributions

The Company made no contributions for political purposes in the year (2022: £Nil).

Principal commercial risks and uncertainties

The principal risk faced by the company is the ability to maintain/grow the Assets Under Management and offset the natural decline in the assets managed for existing clients.

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 the Strategic Report under the principal risks and uncertainties.

Future developments

Computershare Group continues to explore strategic options for the CLS UK business, including growth plans for the new lending business as well as potential alternative ownership models.

Going concern

An assessment has been made of the Company's ability to meet its obligations as they fall due over a 12 month period from the date of signing (of the financial statements) which included plausible downside scenarios including allowance for the current uncertainty in the global economy and the high inflation environment. This assessment supports the fact that, even under these downside scenarios, the Company has the ability to meet those obligations through its current assets and trading. The assessment also supports the fact that the company is forecast to continue to comply with its regulatory capital requirements under these downside scenarios.

The Company reported an operating profit of £1,508 thousand during the year. The company is forecast to remain profitable and cash generative for the foreseeable future.

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 5. The financial position of the Company and liquidity position are described in the Company financial statements on pages 14 to 47.

Engagement with employees

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its market leading position. The Company encourages the involvement of employees by means of various communication channels, including a web-based intranet and employee opinion surveys.

HOMELoAN MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Disabled employees

The Company 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 Company 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 Company 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.

Employees

Details of the number of employees and their related costs can be found in note 7 to the financial statements on page 32.

HOMELoAN MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Greenhouse gas emissions, energy consumption and energy efficiency action

In accordance with UK government's Streamlined Energy and Carbon Reporting ('SECR') policy we provide an update for the year on the Company energy usage and associated greenhouse gas emissions ('GHG').

Computershare are committed to driving change and reducing the carbon footprint where possible across all global business operations. During the year 2022-23 the following activities were undertaken:

- A regular sustainability forum is held which looks at ideas to make significant changes and gives an opportunity for those ideas to be turned into commercial business cases.
- The use of biofuel instead of gas has saved emissions of over 84 tonnes CO₂e during the year.

The total energy consumed in the year was:

	2023	2022
	MWh	MWh
Electricity	1,821	1,864
Gas	260	528
Wood pellets	485	719
Total	2,566	3,111

The total emissions during the year were:

	2023	2022
	Kg CO₂	Kg CO₂
Total emissions	461,862	491,056

As a measure of intensity:

CO ₂ emissions per employee	559	612
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Overall energy consumption and carbon impact across the property portfolio has reduced from 2022. This is as a result of a number of factors:

- Reduced building occupancy both as a result of the business response to the pandemic and the business providing options for home and hybrid working as it resumed on-site operations.
- Changes to the property portfolio through exiting leases (Crossflatts) and buildings (Solar House).
- When travel restrictions were reduced / lifted the use of technology that supported the business through the pandemic has meant that business travel has not returned to previous levels.

The methodology used to calculate the energy emissions is to apply a BEIS conversion factor to the KWh consumption. The method used for vehicle usage is apply a BEIS conversion factor to the total miles travelled.

Matters covered in the Strategic Report

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

HOMELoAN MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

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.

Post balance sheet events

No matters to report.

Independent auditors

The independent 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 12 October 2023 and signed on its behalf.



P Ali
Director

HOMELoAN MANAGEMENT LIMITED

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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

HOMELoAN MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOMELoAN MANAGEMENT LIMITED (CONTINUED)

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements.

HOMELoAN MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOMELoAN MANAGEMENT LIMITED (CONTINUED)

We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries with senior management and compliance function including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Evaluation of entity level controls put in place by management to prevent and detect irregularities;
- Identification of journal entries for testing via the application of fraud risk criteria, including journal entries posted by senior management; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.



Haytham Abdel Sattar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
16 October 2023

HOMELOAN MANAGEMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £000	2022 £000
Turnover	4	56,790	55,642
Cost of sales		(29,790)	(27,777)
Gross profit		<u>27,000</u>	<u>27,865</u>
Administrative expenses		(25,492)	(23,790)
Operating profit	5	<u>1,508</u>	<u>4,075</u>
Income from shares in group undertakings		-	500
Other interest receivable and similar income		89	50
Interest payable and similar expenses	9	(89)	(138)
Profit before tax		<u>1,508</u>	<u>4,487</u>
Tax on profit	10	(139)	(617)
Profit for the financial year		<u><u>1,369</u></u>	<u><u>3,870</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

HOMELoAN MANAGEMENT LIMITED
REGISTERED NUMBER: 02214839

BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	12		3,651		4,296
Tangible assets	14		2,036		1,886
Investments	15		281		281
			<u>5,968</u>		<u>6,463</u>
Current assets					
Trade and other receivables	16	22,181		13,923	
Cash and cash equivalents		5,075		12,035	
		<u>27,256</u>		<u>25,958</u>	
Creditors: amounts falling due within one year	17	(11,301)		(9,735)	
Net current assets			<u>15,955</u>		<u>16,223</u>
Total assets less current liabilities			<u>21,923</u>		<u>22,686</u>
Creditors: amounts falling due after more than one year	18	(2,461)		(3,857)	
			<u>19,462</u>		<u>18,829</u>
Provisions for liabilities					
Other provisions	20	(1,291)		(1,643)	
			<u>(1,291)</u>		<u>(1,643)</u>
Net assets			<u><u>18,171</u></u>		<u><u>17,186</u></u>

HOMELoAN MANAGEMENT LIMITED
REGISTERED NUMBER: 02214839

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Capital and reserves					
Called up share capital	21		14,664		14,664
Other reserves			280		280
Share based payments			2,077		1,300
Profit and loss account			1,150		942
Total equity			<u>18,171</u>		<u>17,186</u>

The financial statements on pages 14 to 47 were approved and authorised for issue by the Board of directors and were signed on its behalf on 12 October 2023.



P Ali
Director

The notes on pages 19 to 47 form part of these financial statements.

HOMELoAN MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital £000	Share premium account £000	Other reserves £000	Share based payments £000	Profit and loss account £000	Total equity £000
At 1 July 2021	17,252	11,680	280	1,079	(15,696)	14,595
Comprehensive expense for the year						
Profit for the financial year	-	-	-	-	3,870	3,870
Total comprehensive expense for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	3,870	3,870
Contributions by and distributions to owners						
Capital reduction	-	(11,680)	-	-	11,680	-
Capital contribution in respect of share based payments charge	-	-	-	221	-	221
Shares cancelled during the year	(2,588)	-	-	-	1,088	(1,500)
Total transactions with owners	(2,588)	(11,680)	-	221	12,768	(1,279)
At 30 June 2022	14,664	-	280	1,300	942	17,186
Comprehensive income for the year						
Profit for the financial year	-	-	-	-	1,369	1,369
Change to accounting policy on long term incentive plans	-	-	-	-	(161)	(161)
Total comprehensive income for the year	-	-	-	-	(161)	(161)
Total comprehensive income for the year	-	-	-	-	1,208	1,208
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(1,000)	(1,000)

HOMELoAN MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Capital contributions in respect of share based payments charge	-	-	-	777	-	777
Total transactions with owners	-	-	-	777	(1,000)	(223)
At 30 June 2023	<u>14,664</u>	<u>-</u>	<u>280</u>	<u>2,077</u>	<u>1,150</u>	<u>18,171</u>

The notes on pages 19 to 47 form part of these financial statements.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Homeloan Management Limited ("the Company") is a private limited company limited by shares and incorporated in England, in the United Kingdom. The Company is domiciled in England in the United Kingdom and its registered office is The Pavilions, Bridgwater Road, Bristol, Avon, BS13 8AE.

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.

The following principal accounting policies have been applied consistently:

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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;
- 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 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.

This information is included in the consolidated financial statements of Computershare Limited (Australia) as at 30 June 2023 and these financial statements may be obtained from Australia.

2.3 Going concern

An assessment has been made of the Company's ability to meet its obligations as they fall due over a 12 month period from the date of signing (of the financial statements) which included plausible downside scenarios including allowance for the current uncertainty in the global economy and the high inflation environment. This assessment supports the fact that, even under these downside scenarios, the Company has the ability to meet those obligations through its current assets and trading. The assessment also supports the fact that the company is forecast to continue to comply with its regulatory capital requirements under these downside scenarios.

The Company reported an operating profit of £1,508 thousand (2022: £4,075 thousand) during the year. The company is forecast to remain profitable and cash generative for the foreseeable future.

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 5. The financial position of the Company and liquidity position are described in the Company financial statements on pages 14 to 47.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised under the principles outlined within IFRS 15. The majority of turnover is earned through the administration of third-party mortgages comprising the underlying servicing of the mortgages. The other turnover stream is client change and on-boarding activity which is derived through agreed client changes outside of the core client service arrangement. These changes support onboarding of incremental new business and subsequent turnover streams.

Turnover is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. This involves following a 5-step model of turnover recognition.

The 5-step model involves identifying the contract with a customer, identifying performance obligations under the contract, determining the transaction price, allocating the transaction price to performance obligations under the contract and recognising turnover when the Company satisfies its performance obligations.

The key area of judgement in recognition of turnover is calculating the scale and timing of future incremental revenue streams.

Turnover is recognised either when the performance obligation in the contract has been performed, or over time as control of the performance obligation is transferred to the customer. For contracts with multiple components to be delivered management applies judgement to consider whether there are separate performance obligations.

Due to the nature of the turnover being derived from mortgage servicing there are no performance obligations in relation to refunds, warranties or similar obligations.

At contract inception the total transaction price is fixed, determined based on management's commercial estimates. Estimates are based upon management's understanding of the complexity of the required service based on their experience of providing similar services. This is then allocated to the identified performance obligations based on the directly incurred development cost of the required service for each contract when those performance obligations are satisfied. Any variations to the scope of the performance obligations are assessed as and when a change is requested, the transaction price is then reassessed.

For some contracts the company incurs development costs in order to meet its performance obligation and these costs are recognised as an asset. The asset is then amortised on a straight line basis over the remaining life of the contract. Judgement is applied in assessing whether these costs are costs to fulfil a contract and this judgement will depend on management's assessment of the nature of the underlying costs and whether they principally relate to a particular contract.

As the customer benefits from the value of the contract throughout the contractual period based upon what the Company do for the customer the output method is appropriately applied by the Company.

The Company always acts as the principal as there are no arrangements for another party to provide the goods or services.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.5 Impact of new international reporting standards, amendments and interpretations

There were no new international reporting standards, amendments or interpretations that materially impacted the Company during the year.

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract contains a lease if the contract gives the right to control the use of an identified asset for a period of time in exchange for consideration. To assess this right the Company considers whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.6 Leases (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Tangible Assets' on the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.8.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.7 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:

Internally developed software	-	10 % Straight line per annum on cost
Software	-	Straight line between 20% and 33% per annum on cost

2.8 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.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.8 Tangible assets (continued)

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:

Long-term leasehold property	-	term of lease
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 profit or loss.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Trade and other receivables

Short-term trade receivables 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.

2.11 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.

2.12 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 and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (FVOCI). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.12 Financial instruments (continued)

amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.13 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.

2.14 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 profit or loss 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 profit or loss within 'other operating income'.

2.15 Finance costs

Finance costs are charged to profit or loss 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.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.17 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.18 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 profit or loss 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.

2.19 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.

2.20 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 profit or loss 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.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

The Company makes estimates and judgements in applying its accounting policies that affect the reported amount of assets and liabilities 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.

Asset Impairment Assessment

Intangible assets (note 12) are regularly reviewed for objective evidence of impairment. In determining whether an asset is impaired the Company undertakes an annual Value in Use ('VIU') assessment calculating the net present value of future cash flows expected to be derived from the continuing use of the asset and its disposal at the end of its economical useful life. The recoverable amount calculated under the VIU assessment is considered to exceed the fair value. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions. Future cash flows are discounted using the estimate weighted average cost of capital.

The VIU assessment has been performed for the company as a whole as this is the lowest level Cash Generating Unit.

The key assumptions adopted are:

- Cash flows have been projected using the latest Board approved 5 Year Plan.
- A growth rate of 2.0% (2022: 2.0%) has been used to project cash flows beyond the initial 5 year period. The growth rate has been determined based on managements' assessment of long term growth in the UK mortgage sector taking into account historic growth rates.
- A discount rate of 7.5% (2022: 7.5%) has been adopted being the estimated weighted average cost of capital.

The headroom (difference between the recoverable amount and the carrying amount) in the VIU assessment was £15,800 thousand (2022: £25,500 thousand).

Contract Asset and Liabilities

Contract assets and liabilities are disclosed in notes 16, 17 and 18 respectively. In determining whether the Contract asset is impaired the Company undertakes an annual Value In Use ('VIU') assessment forecasting the future cash flows expected to be derived from the continuing use of the asset to the end of its useful economic life. The recoverable amount calculated under the VIU assessment is considered to exceed the fair value. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions.

The key assumptions adopted in the VIU are:

- Future revenues and costs expected from the ongoing delivery of services based on the latest approved management forecasts.
- The expected duration of the contract.
- Any additional future contractual cash flows.

The outcome of the VIU exercise was nil change to the prior year submission.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Turnover

All turnover arose from mortgage account servicing.

Analysis of turnover by country of destination:

	2023 £000	2022 £000
United Kingdom	53,115	50,288
Rest of Europe	3,675	5,354
	<u>56,790</u>	<u>55,642</u>

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the year end is summarised as follows:

£000's	2024	2025	2026	Total
Revenue	441	437	328	1,206
	<u>441</u>	<u>437</u>	<u>328</u>	<u>1,206</u>

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Turnover (continued)

The Company has the following contract fulfilment assets that have arisen due to performance obligations being satisfied. The asset represents cost to acquire assets which has been capitalised and is being released as an expense over the life of the contract.

Contract Fulfilment Assets

£000

As at 1 July 2022	1,672
Amortisation	(847)
Reversal of impairment	370
As at 30 June 2023	1,195

These are shown in Trade and other receivables: Due within one year £847 thousand (2022: £847 thousand) and Trade and other receivables: Due after more than one year £348 thousand (2022: £825 thousand). During the year a contract value was revised, the impact of this is shown separately in the reversal of impairment.

The Company has the following contract fulfilment liabilities regarding due payments that have arisen before satisfaction of the performance obligations. The liability is revenue received upfront which is being released as the performance obligation is being provided.

Contract Fulfilment Liabilities

£000

As at 1 July 2022	1,689
Amortisation	(483)
As at 30 June 2023	1,206

These are shown in Creditors: Amounts falling due within one year £483 thousand (2022: £483 thousand) and Creditors: Amounts falling due after more than one year £723 thousand (2022: £1,206 thousand).

5. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	852	799
Amortisation of intangible assets	645	644
Exchange differences	2	10
Defined contribution pension cost	861	864
	<u> </u>	<u> </u>

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2023 £000	2022 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	134	116
Fees payable to the Company's auditors and their associates in respect of: Audit-related assurance services	<u>125</u>	<u>113</u>

7. Employees

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

	2023 £000	2022 £000
Wages and salaries	29,816	26,502
Social security costs	1,342	1,275
Other pension costs	861	864
	<u>32,019</u>	<u>28,641</u>

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

	2023 No.	2022 No.
Directors	5	5
Other	354	404
	<u>359</u>	<u>409</u>

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	438	414
	<u>438</u>	<u>414</u>

The highest paid director received remuneration of £438 thousand (2022 - £414 thousand).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

During the year 1 director received shares under the long-term incentive schemes (2022 -NIL)

The total accrued pension provision of the highest paid director at 30 June 2023 amounted to £NIL (2022 - £NIL).

The emoluments of A Jones are paid by the company, who is also a director of a number of other companies in the Computershare Group and it is not possible to make an accurate apportionment of his emoluments in respect of each of these companies. His total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the company.

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

The emoluments of N Oldfield are paid by Computershare Inc, which makes no recharge to the company. N Oldfield is also a director of a number of other companies in the Computershare Group and it is not possible to make an accurate apportionment of his emoluments in respect of each of the companies. Accordingly, the above details include no emoluments in respect of N Oldfield. His total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Computershare Inc.

The emoluments of T Franklin and R Banks are paid by Computershare Services Limited 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. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Computershare Services Limited.

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Interest payable and similar expenses

	2023 £000	2022 £000
Finance leases and hire purchase contracts	89	138
	<u>89</u>	<u>138</u>

10. Tax on profit

	2023 £000	2022 £000
Corporation tax		
Current tax on profit for the year	82	519
Total current tax	<u>82</u>	<u>519</u>
Deferred tax		
Current year	(17)	(36)
Adjustments in respect of prior years	-	81
Effect of changes in tax rates	74	53
Total deferred tax	<u>57</u>	<u>98</u>
Tax on profit	<u>139</u>	<u>617</u>

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

10. Tax on profit (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 20.5% (2022 - 19.0%). The differences are explained below:

	2023 £000	2022 £000
Profit before tax	1,508	4,487
Profit multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	309	853
Effects of:		
Tax rate changes	74	53
Expenses not deductible for tax purposes	40	10
Adjustments to tax charge in respect of prior years	(84)	537
Amounts recognised directly in Equity	52	-
Non-taxable income	-	(95)
Share options	(47)	(34)
Group relief	(205)	(707)
Total tax charge for the year	139	617

The Company has claimed tax losses of £1,000 thousand (2022: £3,721 thousand) with a tax effect of (£205) thousand (2022: (£707) thousand) from fellow subsidiary undertakings for no payment.

Factors that may affect future tax charges

Following the enactment of Finance Act 2021 the standard UK corporation tax rate remained at 19% before increasing to 25% from 1 April 2023.

11. Dividends

	2023 £000	2022 £000
Dividend paid on Ordinary shares - £0.068 (2022 - £nil) per Ordinary Share	1,000	-
	1,000	-

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Intangible assets

	Software £000	Internally developed software £000	Total £000
Cost			
At 1 July 2022	8,641	6,444	15,085
At 30 June 2023	8,641	6,444	15,085
Amortisation			
At 1 July 2022	8,641	2,148	10,789
Charge for the year on owned assets	-	645	645
At 30 June 2023	8,641	2,793	11,434
Net book value			
At 30 June 2023	-	3,651	3,651
At 30 June 2022	-	4,296	4,296

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

The individual intangible asset which is material to the financial statements is iConnect, an internally developed software. The carrying amount of the intangible asset is £3,651 thousand, with a remaining amortisation period of 5 years and 8 months.

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. Leases

Company as a lessee

The Company has three significant contracts, for properties in Skipton, Doxford and Derry, which are classified as operating leases. Under IFRS 16, the Company recognises right-of-use assets and associated lease liabilities for these two leases. The cash outflow for these two leases in the year was £2,149 thousand (2022: £2,149 thousand).

The Derry lease has a break point at 31st December 2023, five years prior to the end of the lease.

Lease liabilities are due as follows:

	2023 £000	2022 £000
Current	1,898	2,119
Non-current	1,738	2,651
	<u>3,636</u>	<u>4,770</u>

Contractual undiscounted cash flows are due as follows:

	2023 £000	2022 £000
Not later than one year	1,911	2,149
Between one year and five years	1,202	2,748
Later than five years	715	-
	<u>3,828</u>	<u>4,897</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2023 £000	2022 £000
Depreciation on right-of-use assets	748	736
Interest on lease liabilities	89	138

HOMELOAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Tangible assets

	Long-term leasehold property £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Leasehold improve- ments £000	Total £000
Cost						
At 1 July 2022	8,446	3,640	1,721	3,633	255	17,695
Additions	926	-	-	49	26	1,001
Disposals	-	-	-	(826)	-	(826)
At 30 June 2023	9,372	3,640	1,721	2,856	281	17,870
Depreciation						
At 1 July 2022	6,757	3,603	1,721	3,620	108	15,809
Charge for the year on owned assets	-	24	-	10	69	103
Charge for the year on right-of-use assets	748	-	-	-	-	748
Disposals	-	-	-	(826)	-	(826)
At 30 June 2023	7,505	3,627	1,721	2,804	177	15,834
Net book value						
At 30 June 2023	1,867	13	-	52	104	2,036
At 30 June 2022	1,689	37	-	13	147	1,886

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Tangible assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2023 £000	2022 £000
Long leasehold	1,867	1,689
	<u>1,867</u>	<u>1,689</u>

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2023 £000	2022 £000
Tangible fixed assets owned	169	197
Right-of-use tangible fixed assets	1,867	1,689
	<u>2,036</u>	<u>1,886</u>

Information about right-of-use assets is summarised below:

Net book value

	2023 £000	2022 £000
Property	1,867	1,689
	<u>1,867</u>	<u>1,689</u>

Depreciation charge for the year ended

	2023 £000	2022 £000
Property	748	736
	<u>748</u>	<u>736</u>

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Investments

	Investment s in subsidiary companies £000
Cost and net book value	
At 1 July 2022	281
At 30 June 2023	<u>281</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Baseline Capital Limited	The Pavilions, Bridgwater Road, Bristol BS13 8AE	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2023 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £000	Profit £000
Baseline Capital Limited	406	285

16. Trade and other receivables

	2023 £000	2022 £000
Due after more than one year		
Other receivables	215	218
Contract assets	348	825
Deferred tax asset	459	497
	<u>1,022</u>	<u>1,540</u>

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

16. Trade and other receivables (continued)

Due within one year

Trade receivables	2,517	2,218
Amounts owed by group undertakings	16,213	8,254
Prepayments and accrued income	1,582	1,127
Contract assets	847	847
Tax recoverable	-	(63)
	<u>22,181</u>	<u>13,923</u>

17. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	-	72
Amounts owed to group undertakings	5,519	3,442
Corporation tax	133	-
Other taxation and social security	1,023	1,054
Lease liabilities	1,898	2,119
Other creditors	1	1
Accruals and deferred income	2,244	2,564
Contract liabilities	483	483
	<u>11,301</u>	<u>9,735</u>

Amounts owed to group undertakings are unsecured and are repayable on demand.

18. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Lease liabilities	1,738	2,651
Contract liabilities	723	1,206
	<u>2,461</u>	<u>3,857</u>

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

19. Deferred taxation

	2023 £000	2022 £000
At beginning of year	497	595
Charge to profit or loss	(57)	(17)
Amounts credited through equity	19	-
Adjustments in respect of prior years	-	(81)
At end of year	459	497

The deferred taxation asset is made up as follows:

	2023 £000	2022 £000
Accelerated capital allowances	257	289
Temporary differences	202	208
	459	497

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.

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

20. Other provisions

	Operational issues £000	Redundanc y provision £000	Annual leave provision £000	Lease provisions £000	Total £000
At 1 July 2022	640	77	368	558	1,643
Charged to the profit or loss	(508)	71	(15)	530	78
Utilised in year	(28)	(123)	-	(279)	(430)
At 30 June 2023	104	25	353	809	1,291

Operational issues

The provision is made for estimated compensation payments resulting from past operational issues. The amount of provision to be held and the amount of compensation made is determined through internal investigation and agreement with the client on a case by case basis. As these are under review with clients, the values and timings are uncertain.

Redundancy provision

A liability is recognised for estimated redundancy costs associated with the projected reduced headcount resulting from the CLS Optimisation Programme. The value and timings of settlement is uncertain due to the ongoing reviews.

Annual leave provision

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.

Lease provisions

This provision covers estimated unavoidable business rates costs of the leasehold properties no longer in use as well as mothballed floor space up until the lease break dates £279k (2022: £558k). It also includes a £530k Dilapidation provision (2022: £Nil).

HOMELoAN MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

21. Called up share capital

	2023 £000	2022 £000
Authorised, allotted, called up and fully paid		
14,664,013 (2022 - 14,664,013) Ordinary shares of £1.00 each	<u>14,664</u>	<u>14,664</u>

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

Company Share Incentive Plan

Under the terms of the Company 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 Plan

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:

	2023 £000	2022 £000
Share Incentive Plan	228	246
Deferred Incentive Plan	392	221
	<u>620</u>	<u>467</u>

Company Share Incentive plan

The number of shares outstanding at the end of the year was 232 thousand (2022 - 103 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 AUD24.25 (2022 - AUD19.46).

Deferred Incentive plan

The number of shares outstanding at the end of the year was 97 thousand (2022 - 90 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 AUD23.72 (2022 - AUD19.08).

HOMELoAN MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 £861 thousand (2022: £864 thousand). Contributions totalling £nil (2022: £nil) were payable to the fund at the balance sheet date and are included in creditors.

24. Related party transactions

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

25. Post balance sheet events

No matters to report.

HOMELoan MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.