

Registered number: 02430258

COMPUTERSHARE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018



COMPUTERSHARE SERVICES LIMITED

COMPANY INFORMATION

Directors

P Costigan
A Jones (appointed 14 January 2019)
P Ali (appointed 14 January 2019)

Company secretary

J Dolbear

Registered number

02430258

Registered office

The Pavilions
Bridgwater Road
Bristol
Avon
BS13 8AE

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

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STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2018

Introduction

The Directors present their Strategic Report on Computershare Services Limited ("the Company") for the year ended 30 June 2018.

Business review

Revenue is earned from the sale of employee services to affiliated Computershare companies.

The results for the Company show a profit before taxation of £2,754 thousand (year ended 30 June 2017 - £2,602 thousand) for the year ended 30 June 2018, and turnover of £58,985 thousand (year ended 30 June 2017 - £54,520 thousand). The increase in turnover and profit is due to the increased number of employees required for contracts entered into by the mortgage service business. At 30 June 2018 the Company had net assets of £3,017 thousand (2017 - £1,751 thousand).

Principal risks and uncertainties

Business risks are monitored and managed as part of a group wide risk management process. The risks faced by the company are mitigated by the fact that its principal trading relationships, receivables and payables are with fellow group companies.

As part of its robust risk management framework, Computershare Services Limited has controls and processes in place to manage risk and in 2018 introduced a new Enterprise Risk system to further enhance the risk and control environment.

Further details on principal risks are disclosed in the 2018 Computershare Limited (Australia) group annual report. A summary of the risk management policy is available on the corporate governance information section of the group company's website at www.computershare.com.

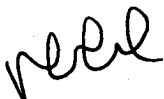
Financial key performance indicators

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

	2018	2017
Profit before Tax	£2,754k	£2,602k
Operating Profit	£2,766k	£2,602k
Turnover	£58,985k	£54,520k
Number of Employees (Full time equivalent)	1,531	1,510

The growth in turnover is due to an increase in the average number of employees and an increase in the average salary of employees.

This report was approved by the board on 1 March 2019 and signed on its behalf.



P Ali
Director

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2018**

The Directors present their report and the financial statements for the period ended 30 June 2018.

Directors' responsibilities 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.

Results and dividends

The profit for the period, after taxation, amounted to £2,766 thousand (2017 - £2,708 thousand).

An interim dividend of £1,500 thousand (2017: £1,200 thousand) was declared and paid during the year. No further dividends are proposed.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event members of staff become disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is provided. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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

Employee involvement

The group 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 group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining its market leading position. The group encourages the involvement of employees by means of various communication channels, including a web based intranet and employee opinion surveys.

Directors

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

P Costigan
N Sarkar (resigned 21 January 2019)
A Jones (appointed 14 January 2019)
P Ali (appointed 14 January 2019)

Future developments

The focus of the business is in managing its cost base, in line with activity, whilst continuing to support the Computershare Group's operational activities from an employee perspective.

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

There have been no significant events affecting the Company since the year end.

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

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 period and is currently in force. The Company also purchased insurance in respect of itself and its directors.

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 and signed on its behalf.



P Ali
Director

Date: 1 March 2019

Independent auditors' report to the members of Computershare Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Computershare Services 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 profit 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, 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

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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' Responsibilities Statement set out on page 2, 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

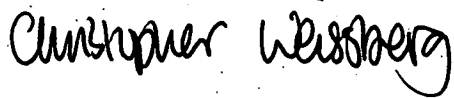
Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

COMPUTERSHARE SERVICES LIMITED

- 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.



Christopher Weissberg (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
1 March 2019

COMPUTERSHARE SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**

	Note	2018 £	2017 £000
Turnover	4	58,985	54,520
Cost of sales		(56,212)	(51,910)
Gross profit		<u>2,773</u>	<u>2,610</u>
Administrative expenses		(7)	(8)
Operating profit	5	<u>2,766</u>	<u>2,602</u>
Interest payable and similar expenses	8	(12)	-
Profit before taxation		<u>2,754</u>	<u>2,602</u>
Tax on profit	9	12	106
Profit for the financial period		<u><u>2,766</u></u>	<u><u>2,708</u></u>

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

The above results were derived from continuing operations.

**BALANCE SHEET
AS AT 30 JUNE 2018**

	Note	2018 £000	2017 £000
Current assets			
Debtors	11	1,684	2,645
Cash at bank and in hand		6,332	4,360
		<u>8,016</u>	<u>7,005</u>
Creditors: amounts falling due within one year	12	<u>(4,999)</u>	<u>(5,254)</u>
Net assets		<u>3,017</u>	<u>1,751</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		2,917	1,651
Total equity		<u>3,017</u>	<u>1,751</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P Ali
Director

Date: 1 March 2019

The notes on pages 11 to 21 form part of these financial statements.

COMPUTERSHARE SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2017	100	1,651	1,751
Comprehensive income for the year			
Profit for the period	-	2,766	2,766
Dividends	-	(1,500)	(1,500)
At 30 June 2018	<u>100</u>	<u>2,917</u>	<u>3,017</u>

Details of dividends paid are disclosed in Note 10 in the financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2016	100	143	243
Comprehensive income for the year			
Profit for the year	-	2,708	2,708
Dividends	-	(1,200)	(1,200)
At 30 June 2017	<u>100</u>	<u>1,651</u>	<u>1,751</u>

The notes on pages 11 to 21 form part of these financial statements.

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

1. General information

Computershare Services Limited ("the Company") is a private limited company limited by shares and incorporated and domiciled in England 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 as applicable to companies using FRS101.

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.

2.2 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;
- 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 following principal accounting policies have been applied consistently:

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.4 Turnover**

Turnover is derived from the provision of staff. Turnover is recognised in the period in which staff are provided to customers.

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.6 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.

2.7 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.

2.8 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.

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

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period 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.

2.10 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.

2.11 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.11 Financial instruments (continued)**

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

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.

2.12 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.

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 has to make judgements in applying its accounting policies which affects 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.

The Directors do not believe there are any critical accounting judgements or key sources of estimation uncertainty.

4. Turnover

The whole of the turnover is attributable to the provision of staff.

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£000	£000
Defined contribution pension cost	3,231	3,338
	<u> </u>	<u> </u>

6. 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	2017
	£000	£000
Fees for the audit of the Company	8	8
	<u> </u>	<u> </u>
	8	8
	<u> </u>	<u> </u>

7. Employees

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	47,838	44,063
Social security costs	4,104	3,882
Share based remuneration	311	278
Other pension costs	3,231	3,338
	<u> </u>	<u> </u>
	55,484	51,561
	<u> </u>	<u> </u>

None (2017: none) of the Directors of the Company are remunerated by the Company and are instead remunerated by Computershare Investor Services plc. As a result, their emoluments are disclosed within the financial statements of those companies. The highest paid director information is also disclosed there.

The average monthly number of employees, including the Directors, during the period was as follows:

	2018	2017
	No.	No.
Other	1,531	1,510
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

8. Interest payable and similar expenses

	2018 £000	2017 £000
Loans from group undertakings	12	-
	<u>12</u>	<u>-</u>

9. Tax on profit

	2018 £000	2017 £000
Corporation tax		
Adjustments in respect of previous periods	-	(35)
Total current tax	<u>-</u>	<u>(35)</u>
Deferred tax		
Origination and reversal of timing differences	(13)	(82)
Changes to tax rates	1	11
Total deferred tax	<u>(12)</u>	<u>(71)</u>
Taxation on profit	<u>(12)</u>	<u>(106)</u>

COMPUTERSHARE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

9. Tax on profit (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%). The differences are explained below:

	2018 £000	2017 £000
Profit before tax	2,754	2,602
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%)	523	514
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1	1
Tax rate changes	1	11
Adjustments to tax charge in respect of prior periods	-	(35)
Group relief	(537)	(597)
Total tax charge for the period/year	(12)	(106)

The Company has claimed tax losses of £2,830 thousand (2017: £3,023 thousand) with a tax effect of £537 thousand (2017: £597 thousand) from fellow subsidiary undertakings for no payment.

Factors that may affect future tax charges

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017. A further reduction in the corporation tax rate to 17% from 1 April 2020 was given Royal Assent on 15 September 2016. Deferred tax is therefore provided at 17%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

10. Dividends

	2018 £000	2017 £000
Dividends paid of £15.00 (2017 - £12.00) per £1 Ordinary share	1,500	1,200
	<u>1,500</u>	<u>1,200</u>

11. Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	1,589	2,300
Other debtors	12	274
Deferred taxation	83	71
	<u>1,684</u>	<u>2,645</u>

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

12. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	1,624	-
Other taxation and social security	2,848	4,806
Other creditors	494	420
Accruals and deferred income	33	28
	<u>4,999</u>	<u>5,254</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

13. Deferred taxation

	2018 £000	2017 £000
Credit to profit or loss	83	71
At end of year	<u>83</u>	<u>71</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Temporary differences trading	83	71
	<u>83</u>	<u>71</u>

14. Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
100,000 (2017 - 100,000) Ordinary Shares of £1.00 each	<u>100</u>	<u>100</u>

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FOR THE PERIOD ENDED 30 JUNE 2018**

15. Share based payments

During the year the Company's directors and employees benefited from a 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 over a period of three years 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 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.

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

	2018 £000	2017 £000
Share Incentive plan	311	278
	<u>311</u>	<u>278</u>

Share incentive plan

The number of shares outstanding at the end of the year was 66 thousand (2017 - 30 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).

16. Pension commitments

The Company contributes to the stakeholder scheme on behalf of its employees. For the majority of employees, a minimum 3% contribution is required by employees and the Company contributes an additional 6% (i.e. a minimum of 9%), with a maximum contribution of 12% by the Company. The assets of the scheme are held separately from those of Computershare and the Company. The pension costs for the period were £3,231 thousand (2017: £3,338 thousand). The amount owing at the period end in respect of such contributions amounted to £485 thousand (2017: £414 thousand).

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17. Controlling party

Computershare Services Limited is controlled and 100% owned by Computershare Investments (UK) (No.3) Limited incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Computershare Limited, a company incorporated in Australia under ACN 005485825, which ultimately holds 100% of the share capital in Computershare Mortgage Services Limited.

The smallest and largest group in which Computershare Services Limited is a member and for which group financial statements are drawn up is the Computershare Limited 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 web site www.computershare.com.