

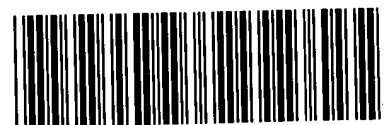
Registered number: 02430258

COMPUTERSHARE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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COMPUTERSHARE SERVICES LIMITED

COMPANY INFORMATION

Directors

A Jones
P Ali

Company secretary

J Dolbear (resigned 23/07/2021), L K Botha (appointed 22/07/2021), R
Esmail (appointed 01/01/2022)

Registered number

02430258

Registered office

The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Independent auditors

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

COMPUTERSHARE SERVICES LIMITED

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COMPUTERSHARE SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The directors present their Strategic Report on Computershare Services Limited ("the Company") for the year ended 30 June 2021.

The Company forms part of the Loan Services division within the Computershare group – Computershare Loan Services ("CLS"). CLS is the market leader in the UK third party mortgage administration services market, with more than 30 years' experience of working with some of the world's largest financial institutions.

Business review

Revenue is earned from the recharge of employee services to affiliated Computershare companies. The results for the Company show a profit before taxation of £2,511 thousand for the year ended 30 June 2021 (year ended 30 June 2020 - £2,384 thousand) and turnover of £48,207 thousand (year ended 30 June 2020 - £55,479 thousand).

The decrease in turnover is due to the reduced number of employees required for contracts with CLS companies. Future revenue is expected to decline in the medium term as CLS execute the Cost Out programme thereby reducing demand for staff.

The business currently operates from Doxford, Skipton and Derry. As part of a review of future property requirements a decision was made during the year to consolidate the two Yorkshire sites into Skipton and vacate Crossflatts.

At 30 June 2021 the Company had net assets of £5,631 thousand (2020 - £3,079 thousand).

COMPUTERSHARE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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, the Company has controls and processes in place to manage its regulatory and compliance risk including regulatory change.

Further details on principal risks are disclosed in the 2021 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.

Brexit

The impact of the UK leaving the EU Single Market and Customs Union with EU law no longer applying has had no material financial impact. The Company provides employee services to affiliated Computershare companies within the UK and is not reliant on overseas operations.

COVID-19

Computershare Limited, the ultimate controlling party, has published financial results for the year ended 30 June 2021, including a COVID-19 update. Trading results were in line with revised market guidance. Over 90% of the Company workforce moved to working from home, deploying technology and security protocols to ensure no interruption of services to clients. The operations of the Company have not been adversely affected as a result of remote working.

Further details may be found at Computershare's web site www.computershare.com.

The Company earns revenue through the sale of employee services to affiliated Computershare companies. Despite the impact of COVID-19 on the wider economy the company has not been materially impacted financially.

The directors of the company take operational resilience seriously and are doing everything possible to ensure the safety of staff and others in line with health and safety guidance as well as preventing any material effect on our services. We remain focused on strengthening our core business lines and working to continue to deliver great outcomes for customers in what are extremely challenging conditions.

Financial key performance indicators

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

	2021	2020
Operating Profit	£2,492k	£2,399k
Turnover	£48,207k	£55,479k
Number of Employees (Full time equivalent)	970	1,284

The decrease in turnover is due to the reduced number of employees required for contracts with CLS companies.

COMPUTERSHARE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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 are working from home with technology and other support being provided. A majority of employees has expressed a preference to continue working from home, or a combination of office and home based working, in the longer term and the Company is in the process of finalising this revised operating model. As part of the CLS UK Cost Out programme a redundancy programme was in place during the year. Opportunities to reduce headcount through efficiencies and other initiatives were identified through the programme. Communications took place with all affected individuals impacted by the programme to explain what this meant for them and what steps would be taken.

(c) The directors recognise the importance of building strong relationships with suppliers and customers and actively engages 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.

(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, The Principle Trust Children's Charity, a Yorkshire charity which provides disadvantaged, disabled and underprivileged children with access to subsidised holidays and Children 1st who support survivors of abuse, neglect, and other traumatic events in childhood. The majority of staff are working from home and this trend is expected to continue in the longer term. Both of these actions are anticipated to reduce the impact of the Company's operations on the environment.

(e) The Board operates a Computershare Loan Services Governance Framework which sets out the Board

COMPUTERSHARE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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 3 March 2022 and signed on its behalf.



P Ali
Director

COMPUTERSHARE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and the audited financial statements for the year ended 30 June 2021.

Statement of directors' responsibilities in respect of the financial statements

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £2,552 thousand (2020 - £2,404 thousand).

An interim dividend of £Nil thousand (2020: £4,000 thousand) was declared and paid during the year. The directors do not propose a final dividend to be paid (2020: £ Nil).

Directors

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

A Jones
P Ali

Political contributions

The Company made no contributions for political purposes in the year ended 30 June 2021 (2020: £Nil).

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.

COMPUTERSHARE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Engagement with employees

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.

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower, and therefore exempt from such disclosure.

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.

Going concern

Despite the continuing difficult economic environment, the Company has reported a healthy operating profit and is in a net asset position. The Company is forecast to continue to be profitable, after making allowances for the impact of the COVID-19 pandemic. Based on the assessment of the Company being able to meet its financial and contractual obligations as they fall due for at least 12 months from the date of approval of the financial statements, the directors consider the Company to be a going concern (note uncertainty below in relation to the potential sale of the Company). For these reasons, the directors continue to adopt the going concern basis of accounting in the financial statements.

However a decision has been made to sell the company, and as such, a process has commenced to find a buyer, with the objective of a sale completing within 12 months from the date of signing these financial statements. The future of the company post any sale is currently unknown indicating a material uncertainty that gives rise to significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 4. The financial position of the Company and liquidity position are described in the Company financial statements on pages 11 to 26.

COMPUTERSHARE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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.

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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the Board on 3rd March 2022 and signed on its behalf.



P Ali
Director

Date: 3 March 2022

COMPUTERSHARE SERVICES LIMITED

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 2021 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 2021; the statement of comprehensive income and 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the company's ability to continue as a going concern. A decision has been made to sell the company, and as such, a process has commenced to find a buyer with the objective of a sale completing within 12 months from the date of signing these financial statements. The future of the company post any sale is currently unknown. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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.

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.

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

COMPUTERSHARE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPUTERSHARE SERVICES LIMITED

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 2021 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 Statement of directors' responsibilities in respect of the financial statements, 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 non-compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the manipulation of the financial statements via the posting of fraudulent journal entries. Audit procedures performed by the engagement team included:

- Review of board meeting minutes and discussions with management, including consideration of any known or suspected instances of fraud or non-compliance with laws and regulations;
- Risk based journal testing with a focus on those journals with attributes which could be indicative of a fraudulent posting; and
- Incorporating unpredictability in our audit procedures, around the timing, nature or extent of procedures performed.

COMPUTERSHARE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPUTERSHARE SERVICES LIMITED

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.



Andrew Pye (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
3 March 2022

COMPUTERSHARE SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 £000	2020 £000
Turnover	4	48,207	55,479
Cost of sales		(45,703)	(53,068)
Gross profit		<u>2,504</u>	<u>2,411</u>
Administrative expenses		(12)	(12)
Operating profit	5	<u>2,492</u>	<u>2,399</u>
Interest receivable and similar income		19	-
Interest payable and similar expenses	8	-	(15)
Profit before tax		<u>2,511</u>	<u>2,384</u>
Tax on profit	9	41	20
Profit for the financial year		<u><u>2,552</u></u>	<u><u>2,404</u></u>

There was no other comprehensive income for 2021 (2020:£000NIL).

The above results were derived from continuing operations.

COMPUTERSHARE SERVICES LIMITED
REGISTERED NUMBER: 02430258

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors: amounts falling due within one year	11	8,676	10,331
Cash at bank and in hand		4,051	3,913
		<u>12,727</u>	<u>14,244</u>
Creditors: amounts falling due within one year	12	(5,400)	(6,076)
Net current assets		<u>7,327</u>	<u>8,168</u>
Total assets less current liabilities		<u>7,327</u>	<u>8,168</u>
Provisions for liabilities			
Other provisions	14	(1,696)	(5,089)
		<u>(1,696)</u>	<u>(5,089)</u>
Net assets		<u>5,631</u>	<u>3,079</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		5,531	2,979
		<u>5,631</u>	<u>3,079</u>

The financial statements on pages 11 to 26 were approved and authorised for issue by the Board of directors and were signed on its behalf on 3rd March 2022:



P Ali
Director

Date: 3 March 2022

The notes on pages 14 to 26 form part of these financial statements.

COMPUTERSHARE SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 July 2019	100	4,575	4,675
Comprehensive income for the year			
Profit for the year	-	2,404	2,404
Total comprehensive income for the year	-	2,404	2,404
Dividends	-	(4,000)	(4,000)
Total transactions with owners	-	(4,000)	(4,000)
At 30 June 2020	100	2,979	3,079
Comprehensive income for the year			
Profit for the year	-	2,552	2,552
Total comprehensive income for the year	-	2,552	2,552
Total transactions with owners	-	-	-
At 30 June 2021	100	5,531	5,631

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

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Computershare Services 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, 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 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 judgement in applying the Company's accounting policies (see note 3).

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 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 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:

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.3 Going concern

Despite the continuing difficult economic environment, the Company has reported a healthy operating profit and is in a net asset position. The Company is forecast to continue to be profitable, after making allowances for the impact of the COVID-19 pandemic. Based on the assessment of the Company being able to meet its financial and contractual obligations as they fall due for at least 12 months from the date of approval of the financial statements, the directors consider the Company to be a going concern (note uncertainty below in relation to the potential sale of the Company). For these reasons, the directors continue to adopt the going concern basis of accounting in the financial statements.

However a decision has been made to sell the company, and as such, a process has commenced to find a buyer, with the objective of a sale completing within 12 months from the date of signing these financial statements. The future of the company post any sale is currently unknown indicating a material uncertainty that gives rise to significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 4.

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised under the principles outlined within IFRS 15. Turnover is earned through the sale of employee services to affiliated Computershare companies.

Turnover is recognised in a manner that depicts the transfer of promised services to customers in an amount that reflects the consideration to which the provider of the 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 the sale of employee services there are no performance obligations in relation to refunds, warranties or similar obligations.

The contract to provide affiliated Computershare companies with employee services is ongoing and readily identifiable as the main significant contract to the Company. The identified performance obligation is to provide employee services to the counterparties.

The transaction price is determined as a 5% mark-up on costs incurred to provide the employee services to affiliated Computershare companies, this is agreed at the inception of the contract between the parties. The transaction price varies monthly depending on the level of employee services provided. The transaction price is wholly allocated to the performance obligation to provide employee services.

The performance obligation is ongoing and as the services are provided over time the Company recognises turnover over time. Turnover is recognised on a monthly basis as each month the Company invoices the customers for services provided in that month in order to recuperate the cash to then compensate staff on a monthly basis.

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 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.

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

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 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.

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to 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.

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.9 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.

2.10 Debtors

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

2.11 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 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.

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.13 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.

2.14 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 always recognises lifetime expected credit loss (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 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.

2.15 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.

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. Judgements 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.

There are no 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.

5. Operating profit

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

	2021 £000	2020 £000
Exchange differences	(2)	-
Defined contribution pension cost	2,996	3,151
	<u>2,996</u>	<u>3,151</u>

6. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	11	11
	<u>11</u>	<u>11</u>

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. Employees

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	39,417	46,253
Social security costs	2,970	3,340
Share based remuneration	267	316
Other pension costs	2,996	3,151
	<u>45,650</u>	<u>53,060</u>

The emoluments of Mr Jones are paid by Homeloan Management Limited which makes no recharge to the company, Mr Jones 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 their emoluments in respect of each of these companies. Their total emoluments are included in the aggregate of directors' emoluments disclosed in financial statements of Homeloan Management Limited.

The emoluments of Mr Ali are paid by Computershare Investor Services Plc which makes no recharge to the company, Mr 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 their emoluments in respect of each of the companies. Their total emoluments are included in the aggregate of directors' emoluments disclosed in financial statements of Computershare Investor Services Plc.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Other	<u>970</u>	<u>1,284</u>

8. Interest payable and similar expenses

	2021 £000	2020 £000
Loans from group undertakings	<u>-</u>	<u>15</u>
	<u>-</u>	<u>15</u>

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. Tax on profit

	2021 £000	2020 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(46)	(16)
Changes to tax rates	-	(9)
Adjustments in respect to prior year	5	5
Total deferred tax	(41)	(20)
Taxation on profit	(41)	(20)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	2,511	2,384
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	477	453
Effects of:		
Expenses not deductible for tax purposes	(22)	(16)
Tax rate changes	-	(9)
Adjustments to tax charge in respect of prior periods	5	5
Group relief	(501)	(453)
Total tax (credit)/charge for the year	(41)	(20)

The Company has claimed tax losses of £2,637 thousand (2020: £2,384 thousand) with a tax effect of £501 thousand (2020: £453 thousand) from fellow subsidiary undertakings for no payment.

Factors that may affect future tax charges

The standard UK corporation tax rate is 19% throughout the year ended 30 June 2021. Following the enactment of Finance Act 2021 the standard UK corporation tax rate will remain at 19% before increasing to 25% from 1 April 2023. Deferred tax has been recognised at either 19% or 25% depending on the rate expected to be in force at the time of the reversal of the temporary difference.

COMPUTERSHARE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

10. Dividends

	2021 £000	2020 £000
Dividends paid of £Nil (2020 - £40.00) per £1 ordinary share	-	4,000
	<u>-</u>	<u>4,000</u>

11. Debtors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed by group undertakings	8,323	9,926
Other debtors	10	170
Prepayments and accrued income	209	141
Deferred taxation	134	94
	<u>8,676</u>	<u>10,331</u>

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

12. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	3,619	1,499
Other taxation and social security	1,088	3,977
Other creditors	621	444
Accruals and deferred income	72	156
	<u>5,400</u>	<u>6,076</u>

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

13. Deferred taxation

	2021 £000	2020 £000
At beginning of year	94	74
Credit to profit or loss	45	25
Prior year adjustment	(5)	(5)
At end of year	<u>134</u>	<u>94</u>

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Temporary trading differences	134	94
	<u>134</u>	<u>94</u>

The deferred tax asset is included within Debtors: amounts falling due within one year in the Balance Sheet.

14. Other provisions

	Annual leave provision £000	Redundancy provision £000	Total £000
At 1 July 2020	1,130	3,959	5,089
Charged to profit or loss	873	3,959	4,832
Utilised in year	(1,130)	(7,095)	(8,225)
At 30 June 2021	<u>873</u>	<u>823</u>	<u>1,696</u>

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 and will be fully utilised within 12 months.

Redundancy provision

A liability is recognised for estimated redundancy costs associated with the projected reduced headcount resulting from the Cost Out programme. The value and timings of settlement is uncertain due to the ongoing reviews, but is expected to be fully utilised within 12 months.

15. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
100,000 (2020: 100,000) ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

16. 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:

	2021 £000	2020 £000
Share Incentive plan	267	316
	<u>267</u>	<u>316</u>

Share incentive plan

The number of shares outstanding at the end of the year was 129 thousand (2020 - 120 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 AUD13.88 (2020 - AUD13.98).

17. Pension commitments

The Company contributes to the stakeholder scheme on behalf of its employees. For the majority of employees, a minimum 5% contribution is required by employees and the Company contributes an additional 10% (i.e. a minimum of 15%), 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 year were £2,996 thousand (2020: £3,151 thousand). The amount owing at the year end in respect of such contributions amounted to £534 thousand (2020: £390 thousand).

18. Post balance sheet events

No matters to report.

COMPUTERSHARE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

19. 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.