

COMPUTERSHARE LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1997

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Registered number: 3015818



Directors' report

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the financial year ended 30 June 1997.

Principal activities

The principal activity of the company since incorporation was the operation of a computer share registry bureau.

Business review

The United Kingdom office was set up in 1995 and, early in 1996, the offices of both Computershare and Computershare Systems were combined in order to minimise costs and create a single identity for both companies in the United Kingdom and in Europe.

We have now consolidated our position as a participant in CREST - the UK settlement system - and we are beginning to attract business through our reputation as a provider of quality technology solutions for the UK and European markets.

In the last 12 months we have established a firm client base which will assist us in continuing our expansion in the region. The number of staff employed in our London office has risen to support the development of the contracts which we have been awarded of the past six months. This short-term growth, added to our strategy for further expansion in this region, has led us to move to new offices in Finsbury Square, London. Our new premises, which are strategically placed in the centre of the City of London, provide us with the necessary space for our planned expansion, as well as enabling us to create better facilities for our staff and clients.

Our share registry bureau service has enjoyed modest growth with the addition of three further registrars to our bureau service, all of whom are now linked into the CREST settlement system.

Our London office was able to provide a full range of services during the recent de-mutualisation of Colonial Limited. Through our dedicated link directly to the share register in Australia, we were able to provide full enquiry facilities for Colonial's office in Chatham, Kent. Significantly, we introduced Interactive Voice Response technology (IVR) for the first time in a registry in the UK and set up a share sale service with a UK stockbroker.

Results and dividends

The audited accounts for the financial period ended 30 June 1997 are set out on pages 4 to 9. The result for the period, after taxation was a loss of GBP 53,441.

The directors do not recommend payment of a dividend.

Directors

The directors who served during the period were as follows:

C. J. Morris
A. N. Wales
C. Hollyoak (appointed 27 May 1997)
C. Kennedy (resigned 23 August 1996)

Fixed Assets

Details of movements in fixed assets during the year are set out in note 7 to the accounts.

Liability insurance for company officers

The parent company has maintained insurance cover for the directors against liability arising from negligence, default, breach of duty and breach of trust in relation to the company.

Directors' responsibilities

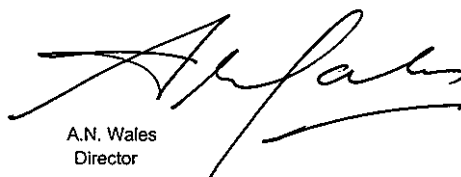
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those accounts the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the accounts comply with the Companies Act 1986. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Redcliffe Way
Bristol, UK

By order of the Board,



A.N. Wales
Director

27 April 1998

Auditors' report

London

To the Shareholders of Computershare Limited:

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

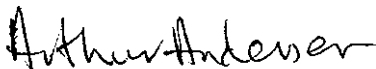
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 June 1997 and of the company's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

20 Old Bailey
London
EC4M 7AN

27 April 1998

COMPUTERSHARE LIMITED

Profit and loss account

For the financial year ended 30 June 1997

		30 June	Period from Incorporation to 30 June
		1997	1996
	Notes	GBP	GBP
Turnover		689,682	180,564
Gross profit or loss			
Interest payable	2	36,039	0
Administrative expenses		(779,162)	(431,160)
Loss on ordinary activities before taxation	2	(53,441)	(250,596)
Tax on loss on ordinary activities	6	0	0
Loss on ordinary activities after taxation		(53,441)	(250,596)
Opening Accumulated losses		(250,596)	0
Closing Accumulated losses		(304,037)	(250,596)

There are no recognised gains or losses in the period other than the loss for the year.


The accompanying notes are an integral part of this profit and loss account.

COMPUTERSHARE LIMITED

Balance sheet as at 30 June 1997

	Notes	1997 GBP	1996 GBP
Fixed Assets			
Tangible assets	7	<u>112,591</u>	<u>71,816</u>
		<u>112,591</u>	<u>71,816</u>
Current Assets			
Debtors - due within one year	8	248,267	22,630
Cash at bank and in hand		<u>24,958</u>	<u>21,355</u>
		273,225	43,985
Creditors: Amounts falling due within one year	9	<u>59,211</u>	<u>38,085</u>
Net current assets		<u>214,014</u>	<u>5,900</u>
Total assets less current liabilities		326,605	77,716
Creditors: Amounts falling due after more than one year	9	623,304	328,310
Provisions for liabilities and charges	10	<u>7,336</u>	<u>0</u>
Net assets		<u>(304,035)</u>	<u>(250,594)</u>
Capital and reserves			
Called-up equity share capital	11	2	2
Profit and loss account	12	<u>(304,037)</u>	<u>(250,596)</u>
Equity Shareholders' funds		<u>(304,035)</u>	<u>(250,594)</u>

The accounts on pages 4 to 9 were approved by the board of directors on 27 April, 1998 and signed on its behalf by:



A. N. Wales
Director

The accompanying notes are an integral part of this balance sheet.

COMPUTERSHARE LIMITED

Cash flow statement

For the financial period ended 30 June 1997

		30 June 1997 GBP	Period from Incorporation to 30 June 1996 GBP
	Notes		
Net cash outflow from operating activities	13	(193,363)	(225,567)
Investing activities			
Purchase of tangible fixed assets		(61,990)	(81,388)
Net cash outflow from investing activities		(61,990)	(81,388)
Net cash outflow before financing		(255,353)	(306,955)
Financing			
New loans		258,956	328,310
Net cash inflow from financing	13	258,956	328,310
Increase in cash and cash equivalents	13	3,603	21,355
Opening cash and cash equivalents		21,355	0
Closing cash and cash equivalents		24,958	21,355

The accompanying notes are an integral part of this cash flow statement.

Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the financial period is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention.

The financial statements do not take account of changes in the general purchasing power of the pound.

The accounts have been prepared in accordance with applicable accounting standards.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and provision for permanent diminution in value.

Property, plant and equipment

The amounts at which property, plant and equipment are stated in these financial statements are regularly reviewed.

The carrying amount of property, plant and equipment does not exceed the net amount expected to be recovered through the net cash flows arising from their continued use and subsequent disposal.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis at rates calculated to allocate their cost or valuation, less estimated residual value, against revenue over the estimated useful life as follows:

Furniture and fittings	10 years (10% per annum)
Communications equipment	4 years (25% per annum)
Computer equipment	3 to 5 years (33.33 to 20% per annum)
Other items	6.67 years (15% per annum)

Additions and disposals are depreciated for the period held in the year of acquisition or disposal.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided in the year is written off, except when recoverability against corporation tax payable is reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

Pension costs and other post-retirement benefits

The company provides pension arrangements to the majority of full time employees through a defined contribution fund.

The amount charged to the profit and loss account in respect of pension and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Foreign currency transactions during the year are converted to British pounds at the rates applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the exchange rates ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in operating profit before tax as they arise.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

COMPUTERSHARE LIMITED

Notes to accounts

1 Segment Information

The company operates solely within the computer bureau industry in the United Kingdom.

2 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging/(crediting):

	30 June 1997 GBP	Period from Incorporation to 30 June 1996 GBP
Depreciation of fixed assets	21,215	9,572
Operating lease rentals	62,139	86,249
Interest payable to ultimate parent entity (refer to note 15)	36,039	0
Auditors remuneration - audit fees	1,703	1,788
- other services	0	1,360

Audit fees were born by the parent entity.

3 Staff Costs

The average weekly number of employees (including executive directors) was:

	1997 Number	1996 Number
Administration and Marketing	3	2
Operations	5	3
	<u>8</u>	<u>5</u>

Their aggregate remuneration comprised:

	30 June 1997 GBP	Period from Incorporation to 30 June 1996 GBP
Wages and salaries	177,575	154,197
Social security costs	29,390	12,146
Other pension costs	9,746	4,915
	<u>216,710</u>	<u>171,258</u>

At year end, no amounts were outstanding from non-director officers.

4 Directors' remuneration, interests and transactions

Aggregate emoluments	39,252	56,960
Highest paid director	39,252	56,160

There are no options on issue to directors.

Number of directors who were members of pension scheme during the year

	1997 Number	1996 Number
where as follows.		
Defined benefit schemes	0	0
Defined contribution schemes	2	2

No retirement benefits were paid.

5 Investment Income

Other interest receivable and similar income	907	0
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6 Tax on loss on ordinary activities

There is no tax charge for the period as the company has incurred a tax loss for the year.

7 Tangible fixed assets

Plant and equipment

	30 June 1997 GBP	Period from Incorporation to 30 June 1996 GBP
At cost		
Opening balance	81,388	0
Additions	61,990	81,388
Closing balance	<u>143,378</u>	<u>81,388</u>
Depreciation		
Opening balance	9,572	0
Charge	21,215	9,572
Closing balance	<u>30,787</u>	<u>9,572</u>
Net book value	<u>112,591</u>	<u>71,816</u>

8 Debtors

Amounts falling due within one year:

Trade debtors	179,030	22,630
Prepayments and accrued income	907	0
Other debtors	68,330	0
Total debtors	<u>248,267</u>	<u>22,630</u>

COMPUTERSHARE LIMITED

Notes to accounts

	1997 GBP	1996 GBP	
9 Creditors			
Amounts falling due within one year:			
Trade creditors	59,211	20,205	
Accruals and deferred income	0	15,543	
Accrued pension contributions	0	2,337	
	<u>59,211</u>	<u>38,085</u>	
Amounts falling due after more than one year:			
Interest accrued to parent entity - Note (i)	36,038	0	
Amount owed to parent entity - Note (i)	<u>587,266</u>	<u>328,310</u>	
Total creditors	<u>682,515</u>	<u>366,395</u>	
(i) Until 1 July 1996 the loan from the parent entity was interest free. During the year ended 30 June 1997 interest has been charged on the outstanding balance at a rate of 8% per annum.			
10 Provisions for liabilities and charges			
Employee entitlements	<u>7,336</u>	<u>0</u>	
11 Called-up equity share capital			
Authorised			
1,000 ordinary shares of 1 pound each	<u>1,000</u>	<u>1,000</u>	
Alotted, called-up and fully paid			
2 ordinary shares of 1 pound each	<u>2</u>	<u>2</u>	
12 Reconciliation of movement in equity shareholders funds			
	Called-up equity share capital GBP	Profit and Loss Account GBP	Total GBP
At beginning of year	2	(250,596)	(250,594)
Profit for the year		(53,441)	(53,441)
At end of year	<u>2</u>	<u>(304,037)</u>	<u>(304,035)</u>
		Period from Incorporation to 30 June	
	30 June 1997 GBP	1996 GBP	
13 Reconciliation of operating profit to net cash inflow from operating activities			
Operating loss	(53,441)	(250,596)	
Depreciation charges	21,215	9,572	
(Increase)/decrease in debtors	(156,400)	(22,630)	
(Increase)/decrease in accrued income	(907)	0	
(Increase)/decrease in other debtors	(68,330)	0	
Increase/(decrease) in creditors	21,126	38,085	
Increase in Accrued interest	36,038	0	
Increase in provisions	7,336	0	
Other items	0	2	
Net cash inflow/(outflow) from operating activities	<u>(193,363)</u>	<u>(225,567)</u>	
Net cash flow from operating activities related wholly to continuing operations.			
Cash and cash equivalents			
	Change in year		
Cash and cash equivalents comprise:			
Cash at bank and in hand	<u>3,603</u>	<u>24,958</u>	<u>21,355</u>
	<u>3,603</u>	<u>24,958</u>	<u>21,355</u>
Cash flows from financing activities			
Loans:			
Opening balance	328,310	0	
Accrued interest during the period	36,038	0	
Net new loans from parent entity	<u>258,956</u>	<u>328,310</u>	
Closing balance	<u>623,304</u>	<u>328,310</u>	
14 Pension arrangements			
The company provides pension arrangements to the majority of full time employees through a defined contribution scheme. The company contributes an amount equal to 5% of salary. Employee contributions are optional.			
Amount expensed in profit and loss account	9,746	3,077	
Amount prepaid	0	0	
Amount accrued	<u>3,200</u>	<u>2,337</u>	
15 Related party Information			
<i>Ultimate holding company</i>			
The ultimate parent entity is Computershare Limited, a company incorporated in Australia, and which heads the only group in which the results of the company are consolidated. The Consolidated accounts for the group can be obtained from the principal place of business of Computershare Limited, located at 18-22 Trenerry Crescent, Abbotsford, Victoria 3067, Australia.			
Advances received during the period from the parent entity	258,956	328,310	
Interest accrued on the loan from the parent entity during the period	<u>36,038</u>	<u>0</u>	
<i>Directors</i>			
Details of transactions with directors have been disclosed in note 4.			
16 Letter of Support			
The parent entity has provided a letter of support to provide assistance to enable the company to pay its debts as and when they fall due.			