

Registered number: 03199675

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

COMPANY INFORMATION

Directors	J T Hood N Sarkar L K Botha
Company secretary	J Dolbear L K Botha
Registered number	03199675
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 TECHNOLOGY SERVICES (UK) LIMITED

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COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

Introduction

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

Business review

Revenue is earned from maintenance fees, infrastructure charges and software development for affiliated Computershare companies.

The results for the Company show a profit before taxation of £3,031 thousand (2017 - £3,079 thousand) for the year ended 30 June 2018, and turnover of £29,628 thousand (2017 - £25,135 thousand). No dividends have been paid or proposed in the year.

Principal risks and uncertainties

Business risks are monitored and managed as part of a group wide risk management process. Risks include:

- Economic risks, including interest rate and foreign exchange fluctuations, market conditions and the costs of doing business;
- Operational risks, including transaction processing errors and related business process failures.
- Compliance risks, including oversight by regulatory authorities who govern licenses required by the Company to do business.

The risks faced by the company are mitigated by the fact that its principal trading relationships, receivables and payables are with fellow group companies.

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.

Key performance indicators

To aid management of the business, the Directors utilise a number of key performance indicators (KPIs), the most significant KPI being headcount. Average headcount increased from 212 in 2017 to 283 in 2018.

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



J T Hood
Director

Date: 18 March 2019

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report and the financial statements for the year 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.

Principal activities

The principal activity of the Company is the provision of IT services to support Computershare's operational businesses in the UK and elsewhere.

Results and dividends

The profit for the year, after taxation, amounted to £2,826 thousand (2017 - £2,599 thousand).

No dividends were paid in the financial year (2017 -£nil).

Directors

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

J T Hood
N Sarkar
L K Botha

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 IT perspective.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR 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 year and is currently in force. The Company also purchased insurance in respect of itself and its directors.

Employee involvement

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees, and the various factors affecting the performance of the Company. This is achieved through a variety of channels, at a company, country and global level. A UK based Employee Forum has been established which is elected by and from the staff, and regularly meets with senior management to represent all employees, and discuss relevant issues. Examples of the areas in which the forum has been involved include:

- Pension arrangements;
- Building refurbishment;
- Redundancy terms and conditions;
- Amendments to employment policies;
- Diversity in the workplace;
- Environment initiatives.

Employees are encouraged to participate in the company Share Incentive Plan. There are no restrictions to joining the scheme, in which employees may elect to purchase shares in the ultimate parent, and the Company matches those shares. During the year 177 staff (2017: 114) participated in the Share Incentive Plan.

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.

Post balance sheet events

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

Disclosure of information to auditors

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

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

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

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

A handwritten signature in black ink, appearing to be 'J T Hood', written over a horizontal line.

J T Hood
Director

Date: 18 March 2019

The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Independent auditors' report to the members of Computershare Technology Services (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Computershare Technology Services (UK) 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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' 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.

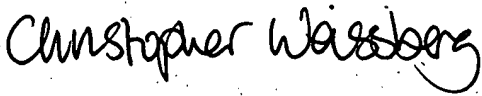
Other required reporting

Companies Act 2006 exception reporting

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

- 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
18 March 2019

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £000	2017 £000
Turnover	4	29,628	25,135
Cost of sales		(22,625)	(18,072)
Gross profit		<u>7,003</u>	<u>7,063</u>
Administrative expenses		(5,147)	(5,249)
Operating profit	5	<u>1,856</u>	<u>1,814</u>
Interest receivable and similar income	8	1,304	1,373
Interest payable and similar expenses	9	(129)	(108)
Profit before tax		<u>3,031</u>	<u>3,079</u>
Tax on profit	10	(205)	(480)
Profit for the financial year		<u>2,826</u>	<u>2,599</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Currency translation differences		-	39
		-	39
Total comprehensive income for the year		<u>2,826</u>	<u>2,638</u>

The notes on pages 12 to 28 form part of these financial statements.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED
REGISTERED NUMBER: 03199675

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 £000	2017 £000
Fixed Assets			
Intangible assets	11	9,368	2,954
Tangible assets	12	2,120	3,069
		<u>11,488</u>	<u>6,023</u>
Current assets			
Debtors: amounts falling due after more than one year	13	172	140
Debtors: amounts falling due within one year	13	70,107	71,030
Cash at bank and in hand	14	2	3,568
		<u>70,281</u>	<u>74,738</u>
Creditors: amounts falling due within one year	15	(11,996)	(13,355)
Net current assets		<u>58,285</u>	<u>61,383</u>
Total assets less current liabilities		<u>69,773</u>	<u>67,406</u>
Creditors: amounts falling due after more than one year	16	(304)	(801)
		<u>69,469</u>	<u>66,605</u>
Provisions for liabilities			
Other provisions	19	(342)	(392)
		<u>(342)</u>	<u>(392)</u>
Net assets		<u>69,127</u>	<u>66,213</u>

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED
REGISTERED NUMBER: 03199675

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2018

	Note	2018 £000	2017 £000
Capital and reserves	20		
Share premium account		34,345	34,345
Capital redemption reserve		18,268	18,268
Other reserves		1,848	1,760
Profit and loss account		14,666	11,840
		<u>69,127</u>	<u>66,213</u>

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



J T Hood
Director

Date: 18 March 2019

The notes on pages 12 to 28 form part of these financial statements.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 July 2016	34,345	18,268	1,635	9,202	63,450
Profit for the financial year	-	-	-	2,599	2,599
Currency translation differences	-	-	-	39	39
Total comprehensive income for the year	-	-	-	2,638	2,638
Capital contribution in respect of share-based payment charge	-	-	125	-	125
At 1 July 2017	34,345	18,268	1,760	11,840	66,213
Profit for the financial year	-	-	-	2,826	2,826
Total comprehensive income for the year	-	-	-	2,826	2,826
Capital contribution in respect of share-based payment charge	-	-	88	-	88
At 30 June 2018	34,345	18,268	1,848	14,666	69,127

The notes on pages 12 to 28 form part of these financial statements.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

1. General information

Computershare Technology Services (UK) Limited ("the Company") is a private limited Company incorporated and domiciled in England and Wales United Kingdom. The registered office of the Company is The Pavilions, Bridgewater Road, Bristol, BS13 8AE. The Company is limited by shares.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The following principal accounting policies have been applied 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.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

2. Accounting policies (continued)

2.4 Turnover

Turnover represents amounts received and receivable for goods and services provided in the normal course of business, net of trade discount, value added tax and other sales related taxes.

Turnover comprises revenue from the supply of IT services and computer infrastructure to Computershare group companies and a number of external customers.

Revenue derived or costs incurred in respect of projects which span reporting periods, where they can be reliably measured, are recognised in the profit and loss account by reference to the stage of completion of the project as at the balance sheet date.

2.5 Intangible assets

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

The estimated useful lives range as follows:

Development	-	2 - 4 years
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The estimated useful lives range has been updated to reflect the portfolio of assets categorised as software. This is also applicable to prior years.

2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 4 to 8 years
Computer equipment	- 2.5 to 4 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 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.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

2. Accounting policies (continued)

2.8 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.

2.9 Financial instruments

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

Financial assets

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

Loans and receivables

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

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

Financial liabilities

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

At amortised cost

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.

2.10 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 TECHNOLOGY SERVICES (UK) LIMITED

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

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.12 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.

2.13 Share based payments

Where cash settled 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.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

2. Accounting policies (continued)

2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 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.

2.16 Annual leave provision

A liability is recognised to the extent of any unused holiday pay entitlement which is provided for at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the unused annual leave entitlement.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.18 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

2. Accounting policies (continued)

2.19 Current and deferred taxation

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

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

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

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

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

2.20 Research and development

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

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

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

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

The Directors do not believe there are any critical accounting judgements or estimates.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

4. Turnover

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	26,953	21,440
Rest of Europe	1,186	1,240
Rest of the world	1,489	2,455
	<u>29,628</u>	<u>25,135</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	1,694	1,642
Amortisation of intangible assets, including goodwill	1,198	342
Exchange differences	(60)	227
Share based payments	293	319
Defined contribution pension cost	613	548
Audit fees	11	11
	<u>11</u>	<u>11</u>

6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements:

	2018 £000	2017 £000
Fees for the audit of the Company	11	11
	<u>11</u>	<u>11</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

7. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	11,507	8,194
Social security costs	1,020	741
Share based payments	293	319
Other pension costs	613	548
	<u>13,433</u>	<u>9,802</u>

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

	2018 No.	2017 No.
IT consultants	265	206
Administration	18	6
	<u>283</u>	<u>212</u>

During the year, no Director received any emoluments (2017 - £NIL).

All those directors who are remunerated are done so by Computershare Investor Services plc, and hence their emoluments, including entitlements under share based long term incentive plans, are disclosed within the financial statements of that company. The highest paid director information is also disclosed there.

8. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from group companies	1,303	1,370
Other interest receivable	1	3
	<u>1,304</u>	<u>1,373</u>

9. Interest payable and similar expenses

	2018 £000	2017 £000
Loans from group undertakings	59	-
Finance leases and hire purchase contracts	70	108
	<u>129</u>	<u>108</u>

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

10. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the financial year	568	693
Adjustments in respect of previous periods	(145)	(226)
	<u>423</u>	<u>467</u>
Total current tax	<u>423</u>	<u>467</u>
Deferred tax		
Origination and reversal of timing differences	(106)	(106)
Changes to tax rates	11	44
Adjustments in respect of previous periods	(123)	75
Total deferred tax	<u>(218)</u>	<u>13</u>
Taxation on profit on ordinary activities	<u>205</u>	<u>480</u>

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the 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 on ordinary activities before tax	3,030	3,079
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%)	576	608
Effects of:		
Expenses not deductible for tax purposes	-	8
Tax rate changes	11	44
Adjustments in respect of previous periods	(268)	(152)
Non-taxable income	(78)	(35)
Tax deduction arising from exercise of employee options	(36)	7
Total tax charge for the year	205	480

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%.

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

11. Intangible assets

	Software Development £000
Cost	
At 1 July 2017	8,263
Additions - external	7,612
At 30 June 2018	<u>15,875</u>
Amortisation	
At 1 July 2017	5,309
Charge for the year	1,198
At 30 June 2018	<u>6,507</u>
Net book value	
At 30 June 2018	<u><u>9,368</u></u>
At 30 June 2017	<u><u>2,954</u></u>

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

12. Tangible assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 July 2017	10,021	15,210	25,231
Additions	745	-	745
At 30 June 2018	<u>10,766</u>	<u>15,210</u>	<u>25,976</u>
Depreciation			
At 1 July 2017	9,497	12,665	22,162
Charge for the year on owned assets	989	705	1,694
At 30 June 2018	<u>10,486</u>	<u>13,370</u>	<u>23,856</u>
Net book value			
At 30 June 2018	<u>280</u>	<u>1,840</u>	<u>2,120</u>
At 30 June 2017	<u>523</u>	<u>2,546</u>	<u>3,069</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £000	2017 £000
Computer Equipment	<u>749</u>	<u>685</u>
	<u>749</u>	<u>685</u>

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

13. Debtors

	2018 £000	2017 £000
Due after more than one year		
Prepayments and accrued income	172	140
	<u>172</u>	<u>140</u>
	2018 £000	2017 £000
Due within one year		
Amounts owed by group undertakings	65,942	69,201
Other debtors	508	69
Prepayments and accrued income	2,618	1,167
Corporation tax	228	-
Deferred taxation	811	593
	<u>70,107</u>	<u>71,030</u>

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

14. Cash and cash equivalents

	2018 £000	2017 £000
Cash and cash equivalents	2	3,568
	<u>2</u>	<u>3,568</u>

15. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	10,400	11,294
Corporation tax	1	695
Taxation and social security	-	154
Obligations under finance lease and hire purchase contracts	497	462
Other creditors	-	54
Accruals and deferred income	1,098	696
	<u>11,996</u>	<u>13,355</u>

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

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

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

	2018 £000	2017 £000
Net obligations under finance leases	304	801
	<u>304</u>	<u>801</u>

Finance leases are repayed quarterly and interest is calculated at rates of 9.9% and 12.9% on the reducing balances.

17. Hire purchase and finance leases

Future minimum lease payments for:

	2018 £000	2017 £000
Within one year	497	533
Between 1-5 years	304	858
	<u>801</u>	<u>1,391</u>

18. Deferred taxation

	2018 £000	2017 £000
At beginning of year	593	606
Charged to profit or loss	218	(13)
At end of year	<u>811</u>	<u>593</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	719	506
Short-term timing differences	92	87
	<u>811</u>	<u>593</u>

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

19. Provisions

	Other provisions £000
At 1 July 2017	392
Utilised in year	(50)
At 30 June 2018	342

20. Share capital

Shares classified as equity

	2018 £000	2017 £000
Allotted, called up and fully paid		
10 (2017 - 10) Ordinary shares of £1 each	-	-

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

21. Share based payments

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

Share Incentive

Under the terms of the Share Incentive Plan, employees may elect to purchase shares in the ultimate parent over a period of two 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 matching shares vest fully after two years. The employee is entitled to the economic benefit of dividends on the matching shares from the date of allocation and there are no conditions attaching to the matching shares apart from continued employment with the company. The fair value of matching shares is the market value of those shares on the date of allocation to the employee.

Deferred incentive awards

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

The profit and loss account charge for each element of the company's share-based payments was as follows:

	2018 £000	2017 £000
Share incentive plan	205	194
Deferred incentive awards	88	125
	<u>293</u>	<u>319</u>

Share incentive plan

The number of shares outstanding at the end of the year was 63 thousand (2017 -57 thousand) The weighted average market price of the ultimate parent's share on the dates on which the awards were granted during the year was AUD16.90 (2017 - AUD12.63).

Deferred incentive plan

The number of shares outstanding at the end of the year was 19 thousand (2017 - 22 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 AUD 14.56 (2017- 10.66).

COMPUTERSHARE TECHNOLOGY SERVICES (UK) LIMITED

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

22. Contingent liabilities

The Company has historically received group relief for nil consideration from another group company which is under enquiry from HMRC. The enquiry is long running and Computershare intends to continue to vigorously defend its position. Should HMRC be successful and the group relief claimed by the Company be reduced, the maximum additional taxation payable by the Company is £258k plus associated interest.

23. Pension commitments

The Company operates a group personal pension scheme for employees and in addition makes pension contributions to personal pension plans established by individuals. The scheme is a defined contribution scheme and contributions are charged to profit and loss account as and when they are incurred. All staff are eligible to join the scheme. The Company makes contributions to the scheme of between 1% and 10% of salary in respect of employees. The pension costs for the year were £613 thousand (2017 - £548 thousand). There were no outstanding commitments at the year end (2017 - £NIL).

24. Ultimate parent undertaking and controlling party

Computershare Technology Services (UK) Limited is a 90% subsidiary of Computershare Limited, a company incorporated in England and Wales. The ultimate parent undertaking and ultimate controlling party is Computershare Limited ("Computershare Limited (Australia)"), a company incorporated in Australia under ACN 005485825, which ultimately holds 100% of the share capital in Computershare Technology Services (UK) Limited.

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