

**Computershare Limited and
subsidiary undertakings**

Annual report and accounts
for the year ended 30 June 2000

Registered number: 3015818



Directors' report

For the year ended 30 June 2000

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report, for the year ended 30 June 2000.

Principal activities

The principal activities of the group during the year were the provision of computer share registry bureau services and the operation and maintenance of share registers.

Business review

The acquisition of businesses in the United States and Canada, and improved operational efficiencies in the United Kingdom and South Africa have contributed to the profitability of the group during the year.

Subsequent to the year end, on 1 July 2000, Computershare Technology Services (UK) Limited, a fellow group company, was transferred to the group. On 15 December 2000 the group acquired Citywatch Limited, a company specialising in the provision of financial data.

Future developments

The group will continue to pursue its policy of increasing market share and profitability during the forthcoming year.

Results and dividends

The audited accounts for the year ended 30 June 2000 are set out on pages 5 to 24. The group profit for the year, after taxation and minority interest was £6,393,000 (1999 – loss £566,000). During the year the directors recommended the payment of a dividend to minority interests of £28,000. The directors do not recommend payment of further dividends for the year.

Directors

The directors who served during the year were as follows:

C J Morris	
A N Wales	
C Holleyoak	
P MacLagan	
M Elliott	(appointed 25 May 2000)
R Hodgkinson	(resigned 25 May 2000)
C Read	(resigned 24 August 1999)

The directors have no interests in the shares of the company. Interests in the shares of the ultimate parent company Computershare Limited (Australia) are disclosed in the accounts of that company.

Directors' report (continued)

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 company and 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 1985. 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.

Supplier payment policy

The company's policy which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 30 June 2000 were equivalent to 11 (1999 – 17) days' purchases, based on the average daily amount invoiced by suppliers during the year.

Charitable and political contributions

During the year the group made charitable donations of £21,000 (1999 - £15,000). There were no political contributions.

Disabled employees

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

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and the intranet and websites magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Directors' report (continued)

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Jupiter House
Triton Court
14 Finsbury Square
London
EC2A 1ER

By order of the Board,

A handwritten signature in black ink, appearing to read 'C Holleyoak', written in a cursive style.

C Holleyoak
Director

20 April 2001

To the Shareholders of Computershare Limited:

We have audited the accounts on pages 5 to 24 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

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 judgments made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company and of the group, 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 and of the group at 30 June 2000 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

1 The Square
Temple Quay
Bristol
BS1 6DG

20 April 2001

Consolidated profit and loss account

For the year ended 30 June 2000

	Note	2000 £'000	1999 £'000
Turnover			
Existing operations	2	72,814	66,588
Acquisitions	2, 3	15,726	-
Continuing operations		88,540	66,588
Cost of sales	4	(36,308)	(40,621)
Gross profit	4	52,232	25,967
Administration expenses	4	(40,216)	(24,182)
Operating profit			
Existing operations		10,159	1,785
Acquisitions		1,857	-
Continuing operations		12,016	1,785
Finance charges (net)	5	(1,257)	(747)
Profit on ordinary activities before taxation	6	10,759	1,038
Tax on profit on ordinary activities	8	(3,912)	(1,534)
Profit/(loss) on ordinary activities after taxation		6,847	(496)
Minority interest	20	(454)	(70)
Profit (loss) for the financial year	19	6,393	(566)

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

Consolidated statement of total recognised gains and losses

For the year ended 30 June 2000

	2000 £'000	1999 £'000
Profit/(loss) for the financial year	6,393	(566)
Gain on foreign currency translation	2,043	-
Total recognised gains and losses relating to the year	8,436	(566)

The accompanying notes are an integral part of this consolidated statement of total recognised gains and losses.

Group and Company balance sheets

30 June 2000

	Note	Group		Company	
		2000 £'000	1999 £'000	2000 £'000	1999 £'000
Fixed assets					
Intangible assets - goodwill	9	98,429	4,664	3,618	3,824
Tangible assets	10	33,756	7,010	16,418	2,181
Investments	11	236	70	89,966	15,063
		<u>132,421</u>	<u>11,744</u>	<u>110,002</u>	<u>21,068</u>
Current assets					
Stocks	12	1,034	319	-	-
Debtors - due within one year	13	36,584	22,015	2,863	137
Debtors - due after one year	13	-	1,462	16,458	3,003
Cash at bank and in hand		7,833	5,720	-	7
		<u>45,451</u>	<u>29,516</u>	<u>19,321</u>	<u>3,147</u>
Creditors: Amounts falling due within one year	14	<u>(78,026)</u>	<u>(15,086)</u>	<u>(45,694)</u>	<u>(2,610)</u>
Net current (liabilities)/assets		<u>(32,575)</u>	<u>14,430</u>	<u>(26,373)</u>	<u>537</u>
Total assets less current liabilities		<u>99,846</u>	<u>26,174</u>	<u>83,629</u>	<u>21,605</u>
Creditors: Amounts falling due after more than one year	15	<u>(34,416)</u>	<u>(16,488)</u>	<u>(34,221)</u>	<u>(16,344)</u>
Provisions for liabilities and charges	16	<u>(350)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets		<u>65,080</u>	<u>9,686</u>	<u>49,408</u>	<u>5,261</u>
Capital and reserves					
Called-up share capital	17	10,000	10,000	10,000	10,000
Capital reserve	18	46,532	-	46,532	-
Profit and loss account	18	8,052	(384)	(7,124)	(4,739)
Shareholders' funds	19	<u>64,584</u>	<u>9,616</u>	<u>49,408</u>	<u>5,261</u>
Minority interests	20	<u>496</u>	<u>70</u>	<u>-</u>	<u>-</u>
Total equity shareholders' funds		<u>65,080</u>	<u>9,686</u>	<u>49,408</u>	<u>5,261</u>

Signed on behalf of the Board:



C Holleyoak
20 April 2001

Director

The accompanying notes are an integral part of these balance sheets.

Notes to the accounts

30 June 2000

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

a) *Basis of accounting*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) *Basis of consolidation*

The group accounts consolidate the accounts of Computershare Limited and its subsidiary undertakings drawn up to 30 June each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

No profit and loss account is presented by Computershare Limited, as provided by s230 of the Companies Act 1985.

c) *Goodwill*

Goodwill arising on acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over 5-20 years. The fair value of consideration includes fees and similar incremental external costs incurred directly in making the acquisition. Provision is made for any impairment.

d) *Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	40 years
Leasehold land and buildings	term of lease
Plant and machinery	5-10 years

Residual value is calculated on prices prevailing at the date of acquisition.

e) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

f) *Long term contracts*

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Notes to the accounts (continued)

1 Accounting policies (continued)

g) *Taxation*

Current tax including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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, except that the deferred tax effects of timing differences arising from pensions are always recognised in full.

h) *Pension costs*

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 costs 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.

i) *Foreign currency*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the group's investment in such operations, are dealt with through reserves. All other exchange differences are included in the profit and loss account.

j) *Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Notes to the accounts (continued)

1 Accounting policies (continued)

k) 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. Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

l) Cash flow statement

The group has taken advantage of the exemptions available in FRS1 (revised) and has not prepared a cash flow statement because the consolidated accounts of the parent company, Computershare Limited (Australia), contain a consolidated cash flow statement which includes the cash flows of the group, and these accounts are publicly available.

m) Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

If an instrument ceases to be accounted for as a hedge for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss is recognised at that time.

2 Segment information

The company's activities are solely within the share registration sector. Turnover by geographical area is as follows:

	2000 £'000	1999 £'000
United Kingdom	63,616	63,207
South Africa	9,198	3,381
United States (acquisition)	8,006	-
Canada (acquisition)	7,720	-
	88,540	66,588

Notes to the accounts (continued)

3 Acquisition of subsidiary undertakings

During the year Computershare Limited acquired a number of subsidiaries which are either owned directly or owned indirectly by another group company.

Acquisition of the trade and assets of the share registry business of Montreal Trust.

On 1 May 2000 the group acquired the net assets and trade of the share registry business of Montreal Trust through its wholly owned subsidiary Computershare Investor Services Inc which was set up for this purpose. The consideration offered to acquire the trade and assets of the share registry business of Montreal Trust was £58,659,000 in cash.

The following table sets out the book values that also represent the fair values of the identifiable assets and liabilities acquired by the group:

	Book value and fair value to the group £'000
Fixed assets	
Tangible	2,244
Current assets	
Stocks	835
Cash	-
Debtors	7,349
Total assets	<u>10,428</u>
Creditors	
Trade creditors	(11,821)
Other creditors	-
Total liabilities	<u>(11,821)</u>
Net assets	(1,393)
Satisfied by cash	<u>58,659</u>
Purchased goodwill (see note 9)	<u>60,052</u>

The goodwill of £60,052,000 has been capitalised and is being amortised over 20 years in accordance with group policy. The pre-acquisition results of the business acquired by the group were consolidated within a division of Montreal Trust and hence the results of the operation were not clearly distinguishable for financial reporting purposes. As a result it is not possible to obtain meaningful results for this period or prior year comparatives, as these were not separately available within Montreal Trust.

Notes to the accounts (continued)

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and net assets of the share registry business of Harris Bank

On 1 April 2000 the group acquired the net assets and trade of the share registry business of Harris Bank through its wholly owned subsidiary Computershare Investor Services LLC which was set up for this purpose. The consideration offered to acquire the trade and assets of the share registry business of Harris Bank was £28,961,000.

The following table sets out the book values, that also represent the fair values of the identifiable assets and liabilities acquired by the group:

	Book value and fair value to the group £'000
Fixed assets	
Tangible	847
Current assets	
Stocks	-
Cash	-
Debtors	449
Total assets	1,296
Creditors	
Trade creditors	-
Other creditors	(1,643)
Total liabilities	(1,643)
Net assets	(347)
Satisfied by cash	28,961
Acquisition costs	351
Purchased goodwill (see note 9)	29,659

The goodwill of £29,659,000 has been capitalised and is being amortised over 20 years in accordance with group policy. The pre acquisition results of the business acquired by the group were consolidated within a division of the Harris Bank and hence the results of the operation were not clearly distinguishable for financial reporting purposes. As a result it is not possible to obtain meaningful results for this period or prior year comparatives, as these were not separately available within the Harris Bank.

Notes to the accounts (continued)

Acquisition of subsidiary undertakings (continued)

Acquisition of Securities Transfer Trust Inc

On 1 May 2000 Computershare Limited acquired 100% of the issued share capital of Securities Transfer Trust Inc through its subsidiary Computershare Systems Inc for consideration of £5,980,000.

Acquisition of Client Connections Incorporated

On 2 June 2000 Computershare Limited acquired 100% of the issued share capital of Client Connections Incorporated through its subsidiary Computershare Systems Inc for consideration of £329,000.

Acquisition of Exchange Registrars Limited

On 1 April 2000 Computershare Limited acquired 100% of the issued share capital of Exchange Registrars Limited through its wholly owned subsidiary Computershare Services Plc for consideration of £539,000.

The following table sets out the book values, that also represent the fair values, of the identifiable assets and liabilities acquired by the group during the year.

	Securities Transfer & Trust Inc £'000	Client Connections Incorporated £'000	Exchange Registrars Limited £'000	All acquisitions Total £'000
Fixed assets				
Tangible	628	-	64	3,783
Intangible (purchased goodwill)	234	-	-	234
Current assets				
Stocks	-	-	-	835
Cash	1,130	-	-	1,130
Debtors	1,133	-	495	9,426
Total assets	3,125	-	559	15,408
Creditors				
Trade creditors	(1,012)	-	(559)	(13,392)
Other creditors	(352)	-	-	(1,995)
Total liabilities	(1,364)	-	(559)	(15,387)
Net assets	1,761	-	-	21
Satisfied by cash	5,980	329	539	94,468
Acquisition costs	-	-	-	351
Goodwill (see note 9)	4,219	329	539	5,087
Purchased goodwill	234	-	-	89,945

Notes to the accounts (continued)

4 Cost of sales, gross profit and other operating expenses

Cost of sales, gross profit and other operating expenses attributable to the acquisition are as follows:

	2000			1999
	Existing £'000	Acquisitions £'000	Total £'000	Total £'000
Cost of sales	35,817	491	36,308	40,621
Gross profit	36,997	15,235	52,232	25,967
Administration expenses	26,838	13,378	40,216	24,182

5 Finance charges (net)

	2000 £'000	1999 £'000
<i>Investment income</i>		
Income from other fixed asset investments	14	-
Income and interest derived from group undertakings	91	-
Other interest	317	52
	<u>422</u>	<u>52</u>

Other interest receivable and similar income includes net exchange gains on foreign currency borrowings less deposits of £11,000 (1999 - £nil).

	2000 £'000	1999 £'000
<i>Interest payable and similar charges</i>		
Bank loans and overdrafts	474	-
Interest payable to fellow group companies	1,200	799
Other	5	-
	<u>1,679</u>	<u>799</u>
	2000 £'000	1999 £'000
<i>Finance charges (net)</i>		
Interest payable and similar charges	1,679	799
Less: investment income	(422)	(52)
	<u>1,257</u>	<u>747</u>

Notes to the accounts (continued)

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £'000	1999 £'000
Depreciation	3,673	3,305
Amortisation of goodwill	1,267	276
Operating lease rentals		
- plant and machinery	1,608	1,472
- other	1,083	1,496
Auditors' remuneration		
- audit fees	85	54
- other	16	10
Exceptional impairment loss	-	2,155

7 Staff costs

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

	2000 Number	1999 Number
Share registry services	1,317	1,080

Their aggregate remuneration comprised:

	2000 £'000	1999 £'000
Wages and salaries	23,359	22,741
Social security costs	1,834	1,606
Other pension costs (see note 22)	1,424	1,320
	26,617	25,667

Notes to the accounts (continued)

7 Staff costs (continued)

Directors' remuneration, interests and transactions:

	2000 £'000	1999 £'000
Directors' aggregate emoluments	98	85
Contributions to money purchase scheme	7	3

Only one director was receiving contributions to money purchase schemes in both years.

Remuneration in respect of the other directors has been paid by the ultimate parent company, Computershare Limited (Australia).

8 Tax on profit on ordinary activities

The tax charge comprises:

	2000 £'000	1999 £'000
UK corporation tax	1,963	1,534
Foreign tax	1,599	-
Deferred tax	350	-
	3,912	1,534

Notes to the accounts (continued)

9 Intangible fixed assets

Group

	Goodwill £'000	Purchased goodwill £'000	Total £'000
Cost			
At beginning of year	5,034	-	5,034
Additions (see note 3)	5,087	89,945	95,032
At end of year	10,121	89,945	100,066
Depreciation			
At beginning of year	370	-	370
Charge for the year	429	838	1,267
At end of year	799	838	1,637
Net book value			
At beginning of year	4,664	-	4,664
At end of year	9,322	89,107	98,429

Company

	Purchased goodwill £'000
Cost	
At beginning and end of year	4,134
Depreciation	
At beginning and end of year	310
Charge for year	206
At end of year	516
Net book value	
At beginning of year	3,824
At end of year	3,618

Notes to the accounts (continued)

10 Tangible fixed assets

Group	Freehold land and buildings £'000	Short leasehold property £'000	Furniture, vehicles, plant and machinery £'000	Total £'000
Cost				
At beginning of year	2,767	2,874	8,163	13,804
Additions	15,242	307	2,282	17,831
Acquisition of subsidiary undertakings	545	-	12,371	12,916
Disposals	-	(157)	(172)	(329)
At end of year	<u>18,554</u>	<u>3,024</u>	<u>22,644</u>	<u>44,222</u>
Depreciation				
At beginning of year	166	2,542	4,086	6,794
Charge for the year	228	254	3,191	3,673
Disposals	-	(14)	(86)	(100)
Impairment losses	-	-	99	99
At end of year	<u>394</u>	<u>2,782</u>	<u>7,290</u>	<u>10,466</u>
Net book value				
At beginning of year	<u>2,601</u>	<u>332</u>	<u>4,077</u>	<u>7,010</u>
At end of year	<u>18,160</u>	<u>242</u>	<u>15,354</u>	<u>33,756</u>

Freehold land amounting to £3,600,000 (1999 – nil) has not been depreciated.

Notes to the accounts (continued)

10 Tangible fixed assets (continued)

Company	Freehold land and building £'000	Short leasehold property £'000	Furniture, vehicles, plant and machinery £'000	Total £'000
Cost				
At beginning of year	-	2,874	5,575	8,449
Additions	15,242	307	634	16,183
Disposals	-	(157)	-	(157)
At end of year	15,242	3,024	6,209	24,475
Depreciation				
At beginning of year	-	2,542	3,726	6,268
Charge for the year	228	133	1,442	1,803
Disposals	-	(14)	-	(14)
At end of year	228	2,661	5,168	8,057
Net book value				
At beginning of year	-	332	1,849	2,181
At end of year	15,014	363	1,041	16,418

Freehold land amounting to £3,600,000 (1999 – nil) has not been depreciated.

11 Fixed asset investments

	2000 £'000	1999 £'000
Group		
Cost and net book value at beginning of year	70	70
Additions	166	-
Cost and net book value at end of year	236	70

During the year the group increased its trade investment in CRESTCO Limited to 200 redeemable fixed dividend shares (1999 – 60 shares). CRESTCO Limited is a company through which the group obtains real time securities settlement services.

Notes to the accounts (continued)

11 Fixed asset investments (continued)

	2000 £'000	1999 £'000
Company		
Cost and net book value at beginning of year	15,063	15,063
Additions	74,903	-
Cost and net book value at end of year	<u>89,966</u>	<u>15,063</u>

Principal group investments

The parent company and the group have investments in the following subsidiary undertakings which principally affected the profits or net assets of the group. To avoid a statement of excessive length, details of investments which are not significant are omitted.

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Share capital</i>	<i>Holding</i>
Computershare Services plc	England and Wales	Share registry	£15,000,000 ordinary	100%
Computershare Registry Services	England and Wales	Holding company	£2 ordinary	100%
Computershare Services (South Africa) Pty Ltd	South Africa	Holding company	Rand 100 ordinary	70%
Computershare Inc	USA	Holding company	\$26,803,612 ordinary	100%
Computershare Investor Services LLC	USA	Share registry	\$26,703,612 ordinary	100%
Computershare Investor Services Inc	Canada	Share registry	\$131,955,107 ordinary	100%

12 Stocks

	Group	
	2000 £'000	1999 £'000
Raw materials and consumables	<u>1,034</u>	<u>319</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Notes to the accounts (continued)

13 Debtors

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	25,675	12,456	34	7
Amounts owed from group undertakings	1,421	278	1,628	-
Amounts recoverable on contracts	163	1,468	-	-
Corporation tax recoverable	-	-	889	-
Other debtors	560	806	79	85
Prepayments and accrued income	8,765	7,007	233	45
	<u>36,584</u>	<u>22,015</u>	<u>2,863</u>	<u>137</u>
Amounts falling due after more than one year:				
Amounts owed from group undertakings	-	1,462	16,458	3,003
	<u>36,584</u>	<u>23,477</u>	<u>19,321</u>	<u>3,140</u>

14 Creditors: Amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	8,000	-	16,306	975
Trade creditors	11,727	2,799	265	2
Amounts owed to group undertakings	36,738	147	28,386	-
Corporation tax payable	2,135	-	-	-
Other taxation and social security	2,635	2,330	377	68
Other creditors	8,011	6,083	120	1,525
Accruals and deferred income	8,780	3,727	240	40
	<u>78,026</u>	<u>15,086</u>	<u>45,694</u>	<u>2,610</u>

Amounts owed to group undertakings are unsecured and bear interest at 6% per annum

Notes to the accounts (continued)

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1998 £'000
Amounts owed to group undertakings	34,416	16,157	34,221	16,344
Other creditors	-	331	-	-
	<u>34,416</u>	<u>16,488</u>	<u>34,221</u>	<u>16,344</u>

16 Provisions for liabilities and charges

The deferred taxation status is as follows:

	2000		1999	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Deferred tax asset	-	196	-	296
Deferred tax liability	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>

The directors have taken a prudent view with regards to the recovery of deferred taxation accounts and have therefore not recognised the deferred tax asset balance as at 30 June 2000.

17 Called-up share capital

	2000 £'000	1999 £'000
<i>Authorised</i>		
10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called-up and fully-paid</i>		
10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

18 Reserves

Group	Capital Reserve £'000	Profit and Loss account £'000	Total £'000
At beginning of year	-	(384)	(384)
Capital received from parent company	46,532	-	46,532
Retained profit for year	-	6,393	6,393
Gain on foreign currency	-	2,043	2,043
At end of year	<u>46,532</u>	<u>8,052</u>	<u>54,584</u>

Notes to the accounts (continued)

18 Reserves (continued)

Company	2000 £'000	1999 £'000
Profit and loss account		
At beginning of year	(4,739)	(357)
Retained loss for the year	(2,385)	(4,382)
End of year	<u>(7,124)</u>	<u>(4,739)</u>

19 Reconciliation of movements in group shareholders' funds

	2000 £'000	1999 £'000
Profit/(loss) for the financial year	6,393	(566)
Other recognised gains and losses relating to the year (net)	2,043	-
	<u>8,436</u>	<u>(566)</u>
Capital contribution from parent company	46,532	-
Net addition/(deduction) to shareholders' funds	<u>54,968</u>	<u>(566)</u>
Opening shareholders' funds	<u>9,616</u>	<u>10,182</u>
Closing shareholders' funds	<u>64,584</u>	<u>9,616</u>

During the year the parent company Computershare Limited (Australia) made a capital contribution to the company. Subsequent to the end of the financial year the company has issued share capital to the value of £46,000,000 the remaining amount being taken to a share premium reserve.

20 Minority interests

	2000 £'000	1999 £'000
Group		
Beginning of year	70	-
Profit on ordinary activities after taxation	454	70
Dividends paid	(28)	-
End of year	<u>496</u>	<u>70</u>

Notes to the accounts (continued)

21 Financial commitments

Operating leases

Annual commitments under non-cancellable operating leases are as follows:

Group

	2000		1999	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Expiry date				
- within one year	1,064	1,275	588	545
- between two and five years	5,444	40	239	534
- after five years	11,249	27	1,058	-
	<u>17,757</u>	<u>1,342</u>	<u>1,885</u>	<u>1,079</u>

Company

	2000		1999	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Expiry date				
- within one year	-	2	386	6
- between two and five years	30	-	30	-
- after five years	423	-	423	-
	<u>453</u>	<u>2</u>	<u>839</u>	<u>6</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

22 Pension arrangements

The group operates a group personal pension scheme for all employees and in addition makes pension contributions to personal pension plans established by individuals. All staff are eligible to join the group scheme. The company makes contributions to the scheme of between 7% and 10% of salary in respect of employees.

The pension costs for the year were £1,424,000 (1999 - £1,320,000).

23 Contingent liabilities

As part of the agreement for the purchase of The Royal Bank of Scotland Plc's share registry business, the group agreed to cover the difference between the commercial rates of interest charged by the Royal Bank of Scotland on mortgages and loans offered to its previous employees, and the beneficial rates of interest previously charged by the bank on these loans.

Notes to the accounts (continued)

23 Contingent liabilities (continued)

As at 30 June 2000, the level of lending against which the group could have an obligation to pay any difference in interest rates in future periods was £10,540,000 (1999 - £13,880,000). At current base rates, the group's annual interest obligations are approximately £157,000 (1999 - £110,000).

24 Subsequent event

On 1 July 2000 Computershare Technology Services (UK) Limited was transferred to Computershare Limited. On 15 December 2000 the group acquired Citywatch Limited, a company specialising in the provision of financial data.

25 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 (Related Party Disclosures) not to disclose transactions with other members of the group headed by Computershare Limited (Australia).

There were no transactions with the minority interest in Computershare Services (South Africa) Pty Ltd required to be disclosed.

26 Controlling party

The company's immediate and ultimate parent company is Computershare Limited (Australia), incorporated in Australia, which is the only group into which the results of the company are consolidated. The consolidated accounts of Computershare Limited (Australia) are available to the public and may be obtained from Computershare Limited (Australia), 18-62 Trenerry Crescent, Abbotsford, Victoria 3067, Australia. These may also be found at Computershare's web site www.computershare.com.