ANDERSEN

Computershare Limited and subsidiary undertakings

Annual report and financial statements
for the year ended 30 June 2001

Registered number: 3015818

A11 *A82BNAD5* 0390
COMPANIES HOUSE 29/04/02

Directors' report

For the year ended 30 June 2001

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 30 June 2001.

Principal activities

The principal activities of the group during the year were the provision of computerised share registry services comprising the operation and maintenance of share registers and ancillary services.

Business review

The acquisition of businesses in the United Kingdom, 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.

On 1 July 2000, Computershare Technology Services (UK) Limited, was transferred to the Computershare Limited (UK) group from the Computershare Limited (Australia) group. Also during the year, a number of other businesses were acquired by the group, as detailed in note 3 to these financial statements.

Future developments

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

Details of significant events since the balance sheet date are contained in note 24 to these financial statements.

Results and dividends

The audited financial statements for the year ended 30 June 2001 are set out on pages 6 to 30. The group profit for the year, after taxation and minority interest was £11,348,000 (2000 – £6,393,000). No dividends were paid during the year.

Directors

The directors who served during the year and subsequent to the year-end were as follows:

E J Stockdale	(appointed 27 July 2001)
L F Appleby	(appointed 27 July 2001)
L K Botha	(appointed 27 July 2001)
C J Morris	(resigned 27 July 2001)
A N Wales	(resigned 27 July 2001)
C Holleyoak	(resigned 27 July 2001)
P Maclagan	(resigned 27 July 2001)
M Elliott	(resigned 12 December 2001)

The directors have no interests in the shares of the company. Where so required, interests in the shares of the ultimate parent company Computershare Limited (Australia) are disclosed in the financial statements of that company.

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 year. In preparing those financial statements, 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 financial statements; and
- prepare the financial statements 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 financial statements 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 2001 were equivalent to 11 (2000 – 11) 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 £30,000 (2000 - £21,000). There were no political contributions.

Disabled employees

Applications for employment by persons who are disabled are always fully considered, bearing in mind the aptitudes of the applicant concerned to perform the required work. 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, corporate website and company publications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

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,

E J Stockdale
Director

L K Botha
Director

25 April 2002

ANDERSEN

Independent Auditors' Report to the Shareholders of Computershare Limited:

We have audited the financial statements of Computershare Limited for the year ended 30 June 2001 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the directors' report. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements 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 financial statements 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 financial statements.

ANDERSEN

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 30 June 2001 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

Arthur Andersen
Chartered Accountants and Registered Auditors

1 The Square
Temple Quay
Bristol
BS1 6DG

25 April 2002

Consolidated profit and loss account

For the year ended 30 June 2001

	Note	2001 £'000	2000 £'000
Turnover			
Existing operations		189,177	88,540
Acquisitions		12,926	-
Continuing operations	2	202,103	88,540
Cost of sales	4	(61,261)	(36,308)
Gross profit	4	140,842	52,232
Administration expenses	4	(117,868)	(40,216)
Operating profit			
Existing operations		28,384	12,016
Acquisitions		(5,410)	-
Continuing operations		22,974	12,016
Finance charges (net)	5	(5,816)	(1,257)
Profit on ordinary activities before taxation	6	17,158	10,759
Tax on profit on ordinary activities	8	(5,552)	(3,912)
Profit on ordinary activities after taxation		11,606	6,847
Minority interest	18	(258)	(454)
Profit for the financial year	19	11,348	6,393

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 2001

	2001 £'000	2000 £'000
Profit for the financial year	11,348	6,393
Gain on foreign currency translation	6,863	2,043
Total recognised gains and losses relating to the year	18,211	8,436

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

Group and Company balance sheets

30 June 2001

	Note	Group		Company	
		2001 £'000	2000 £'000	2001 £'000	2000 £'000
Fixed assets					
Intangible assets – goodwill	9	125,902	98,429	3,411	3,618
Tangible assets	10	38,881	33,756	16,910	16,418
Investments	11	919	236	117,336	89,966
		165,702	132,421	137,657	110,002
Current assets					
Stocks	12	1,352	1,034	-	-
Debtors – due within one year	13	43,789	36,584	2,221	2,863
Debtors – due after one year	13	3,334	-	21,346	16,458
Cash at bank and in hand		13,774	7,833	-	-
		62,249	45,451	23,567	19,321
Creditors: Amounts falling due within one year	14	(36,010)	(78,026)	(22,906)	(45,694)
Net current assets/ (liabilities)		26,239	(32,575)	661	(26,373)
Total assets less current liabilities		191,941	99,846	138,318	83,629
Creditors: Amounts falling due after more than one year	15	(100,860)	(34,416)	(74,232)	(34,221)
Provisions for liabilities and charges	16	(504)	(350)	-	-
Net assets		90,577	65,080	64,086	49,408
Capital and reserves					
Called-up share capital	17	63,071	10,000	63,071	10,000
Capital reserve	19	532	46,532	532	46,532
Profit and loss account	19	26,263	8,052	483	(7,124)
Shareholders' funds	20	89,866	64,584	64,086	49,408
Minority interests	18	711	496	-	-
Total equity shareholders' funds		90,577	65,080	64,086	49,408

Signed on behalf of the Board:

E J Stockdale
Director

L K Botha
Director

25 April 2002

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

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

b) Basis of consolidation

The group financial statements consolidate the financial statements 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. The company's profit for the year after taxation was £7,607,000 (2000 – loss £2,385,000).

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
Furniture, vehicles, 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.

1 Accounting policies (continued)

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.

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 group provides pension arrangements to the majority of full-time employees through defined contribution funds. 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 closing 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.

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 Financial Reporting Standard Number 1 (revised) and has not prepared a cash flow statement because the consolidated financial statements of the parent company, Computershare Limited (Australia), contain a consolidated cash flow statement which includes the cash flows of the group, and those financial statements 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 the 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.

n) Fixed asset investments

Investments are stated at cost less any provision for impairment.

2 Segmental information

The group's activities are solely within the share registration sector. Turnover by geographical area is as follows. No segmental analysis of net assets, or results before tax and minority interests, has been provided as this information is available in the financial statements of the parent company, Computershare Limited (Australia).

	2001 £'000	2000 £'000
United Kingdom	82,131	63,616
South Africa	9,110	9,198
United States	50,055	8,006
Canada	60,807	7,720
	202,103	88,540

3 Acquisition of subsidiary undertakings

During the year the Computershare Limited (UK) group acquired a number of subsidiaries as follows:

	Goodwill £'000
Bank of Montreal share registry	2,276
Computershare Analytics (UK) Limited (formerly Citywatch Limited)	4,412
Computershare Technology Services (UK) Limited	1,506
Merrill Lynch employee share registry	16,411
Financial Data Concepts Inc	2,519
Harris Bank share registry	1,382
Client Connections Inc	673
	29,179

The following pages provide further details of these acquisitions.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and assets of the share registry and employee plans management business of The Trust Company of the Bank of Montreal.

On 1 November 2000 the group acquired the net assets and trade of the share registry business of The Trust Company of the Bank of Montreal through its wholly owned subsidiary Computershare Trust Company of Canada. The consideration expended to acquire the trade and assets of the share registry and employee plans business of The Trust Company of the Bank of Montreal was £2,313,000.

The following table sets out the book values that also represent the provisional fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and provisional fair value to the group £'000
Fixed assets	
Tangible	52
Total assets	52
Creditors	
Other creditors	(15)
Total liabilities	(15)
Net assets	37
Satisfied by cash	2,313
Goodwill (see note 9)	2,276

In accordance with Financial Reporting Standard Number 7 – Fair Values in Acquisition Accounting, these provisional fair values will be finalised during the year ended 30 June 2002.

The goodwill of £2,276,000 has been capitalised and is being amortised over 20 years in accordance with group policy.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and net assets of Computershare Analytics (UK) Limited (formerly Citywatch Limited)

On 15 December 2000 the group acquired the trade and net assets of Computershare Analytics (UK) Limited (formerly Citywatch Limited) for a consideration of £4,448,000.

The following table sets out the book values that also represent the provisional fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and fair value to the group £'000
Fixed assets	
Tangible	22
Current assets	
Cash	114
Debtors	289
Total assets	425
Creditors	
Trade creditors	(219)
Other creditors	(170)
Total liabilities	(389)
Net assets	36
Satisfied by cash	4,448
Goodwill (see note 9)	4,412

The goodwill of £4,412,000 has been capitalised and is being amortised over 20 years in accordance with group policy.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and net assets of Computershare Technology Services (UK) Limited

On 1 July 2000 the net assets and trade of Computershare Technology Services (UK) Limited were transferred from the Computershare Limited (Australia) group to the Computershare Limited (UK) group. Consideration of £2 was paid.

The following table sets out the book values that also represent the provisional fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and fair value to the group £'000
Fixed assets	
Tangible	61
Current assets	
Cash	562
Debtors < 1 year	896
Total assets	1,519
Creditors	
Trade creditors	(264)
Other creditors	(2,761)
Total liabilities	(3,025)
Net liabilities	(1,506)
Satisfied by cash	-
Goodwill (see note 9)	1,506

The goodwill of £1,506,000 has been capitalised and is being amortised over 5 years in accordance with group policy.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and net assets of the Employee Stock Purchase Plan ("ESPP") administration business from Merrill Lynch, Pierce, Fenner and Smith Incorporated

On 15 December 2000 the group acquired the trade and net assets of the ESPP administration business from Merrill Lynch, Pierce, Fenner and Smith Incorporated through its wholly owned subsidiary Computershare Trust Company Inc. The consideration expended to acquire the trade and net assets of the ESPP administration business from Merrill Lynch, Pierce, Fenner and Smith Incorporated was £16,411,000.

The following table sets out the book values that also represent the provisional fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and fair value to the group £'000
Total assets	-
Total liabilities	-
Net assets	-
Satisfied by cash	15,981
Acquisition costs	430
Goodwill (see note 9)	16,411

The goodwill of £16,411,000 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 Merrill Lynch, Pierce, Fenner and Smith Incorporated. Hence its results for this period and prior year comparatives were unavailable to the group for financial reporting purposes.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and net assets of Financial Data Concepts Inc

On 31 March 2001 the group acquired the net assets and trade of the share registry business of Financial Data Concepts Inc through its wholly owned subsidiary Computershare Analytics (North America) Inc. The consideration expended to acquire the trade and assets of Financial Data Concepts Inc was £2,549,000.

The following table sets out the book values that also represent the provisional fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and fair value to the group £'000
Fixed assets	
Tangible	71
Current assets	
Cash	21
Debtors	150
Total assets	242
Creditors	
Trade creditors	(212)
Total liabilities	(212)
Net assets	30
Satisfied by cash	2,516
Acquisition costs	33
Goodwill (see note 9)	2,519

The goodwill of £2,519,000 has been capitalised and is being amortised over 20 years in accordance with group policy.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the trade and net assets of the share registry 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. The consideration expended to acquire the trade and assets was £29,815,000.

The following table sets out the book values and the fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and fair value to the group 2000 £'000	Fair value adjustments 2001 £'000	Book value and fair value to the group 2001 £'000
Fixed assets			
Tangible	847	-	847
Current assets			
Debtors < 1 year	449	-	449
Total assets	1,296	-	1,296
Creditors			
Other creditors	(1,643)	(879)	(2,522)
Total liabilities	(1,643)	(879)	(2,522)
Net liabilities	(347)	(879)	(1,226)
Satisfied by cash	28,961	177	29,138
Acquisition costs	351	326	677
Goodwill (see note 9)	29,659	1,382	31,041

The fair value adjustments relate to the recognition of additional liabilities, plus increased consideration paid.

In accordance with Financial Reporting Standard Number 7 – Fair Values in Acquisition Accounting, these adjustments have been finalised during the year ended 30 June 2001.

The goodwill of £31,041,000 (2000 - £29,659,000) has been capitalised and is being amortised over 20 years in accordance with group policy.

3 Acquisition of subsidiary undertakings (continued)

Acquisition of the share capital of Client Connections Incorporated

On 2 June 2000 the group acquired 100% of the issued share capital of Client Connections Incorporated through its subsidiary Computershare Systems Inc for consideration of £1,002,000.

The following table sets out the book values and the fair values of the identifiable assets and liabilities acquired by the Computershare Limited (UK) group:

	Book value and fair value to the group 2000 £'000	Fair value adjustments 2001 £'000	Book value and fair value to the group 2001 £'000
Fixed assets			
Tangible	-	-	-
Current assets			
Debtors < 1 year	-	-	-
Total assets	-	-	-
Creditors			
Other creditors	-	-	-
Total liabilities	-	-	-
Net assets	-	-	-
Satisfied by cash	329	673	1,002
Goodwill (see note 9)	329	673	1,002

The fair value adjustments relate to the recognition of increased consideration paid.

In accordance with Financial Reporting Standard Number 7 – Fair Values in Acquisition Accounting, these adjustments have been finalised during the year ended 30 June 2001.

The goodwill of £1,002,000 (2000 - £329,000) has been capitalised and is being amortised over 20 years in accordance with group policy.

4 Cost of sales, gross profit and other operating expenses

Cost of sales, gross profit and other operating expenses are as follows:

	2001			2000
	Existing £'000	Acquisitions £'000	Total £'000	Total £'000
Cost of sales	51,597	9,664	61,261	36,308
Gross profit	137,580	3,262	140,842	52,232
Administration expenses	109,196	8,672	117,868	40,216

5 Finance charges (net)

	2001 £'000	2000 £'000
Investment income		
Income from other fixed asset investments	18	14
Income and interest derived from group undertakings	19	91
Other interest	601	317
	638	422

	2001 £'000	2000 £'000
Interest payable and similar charges		
Bank loans and overdrafts	302	474
Interest payable to fellow group undertakings	6,152	1,200
Other	-	5
	6,454	1,679

	2001 £'000	2000 £'000
Finance charges (net)		
Interest payable and similar charges	6,454	1,679
Less: investment income	(638)	(422)
	5,816	1,257

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2001 £'000	2000 £'000
Depreciation	7,024	3,673
Amortisation of goodwill	7,247	1,267
Operating lease rentals		
- plant and machinery	536	1,608
- other	4,331	1,083
Profit on sale of fixed assets	82	-
Auditors' remuneration		
- audit fees	349	85
- other	360	16

7 Staff costs

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

	2001 Number	2000 Number
Share registry services	2,773	1,317

Their aggregate remuneration comprised:

	2001 £'000	2000 £'000
Wages and salaries	60,427	23,359
Social security costs	3,538	1,834
Other pension costs (see note 22)	2,694	1,424
	66,659	26,617

Directors' remuneration, interests and transactions:

	2001 £'000	2000 £'000
Directors' aggregate emoluments	123	98
Contributions to money purchase scheme	14	7

One director received contributions to money purchase schemes in each year.

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:

	2001 £'000	2000 £'000
UK corporation tax	5,345	1,963
Foreign tax	3,387	1,599
Deferred tax	(3,180)	350
	5,552	3,912

9 Intangible fixed assets

Group

	Goodwill £'000
Cost	
At beginning of year	100,066
Additions (see note 3)	29,179
Disposals	(73)
Exchange movement	5,557
At end of year	134,729
Amortisation	
At beginning of year	1,637
Charge for the year	7,247
Disposals	(26)
Exchange movement	(31)
At end of year	8,827
Net book value	
At beginning of year	98,429
At end of year	125,902

9 Intangible fixed assets (continued)

Company

	Goodwill £'000
Cost	
At beginning and end of year	4,134
Depreciation	
At beginning of year	516
Charge for year	207
At end of year	723
Net book value	
At beginning of year	3,618
At end of year	3,411

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	18,554	3,024	22,644	44,222
Additions	1,732	1,292	8,584	11,608
Acquisition of subsidiary undertakings	-	-	346	346
Disposals	-	-	(3,514)	(3,514)
Exchange movement	43	-	799	842
At end of year	20,329	4,316	28,859	53,504
Depreciation				
At beginning of year	394	2,782	7,290	10,466
Charge for the year	560	134	6,330	7,024
Acquisition of subsidiary undertakings	-	-	192	192
Disposals	-	-	(3,099)	(3,099)
Exchange movement	-	-	40	40
At end of year	954	2,916	10,753	14,623
Net book value				
At beginning of year	18,160	242	15,354	33,756
At end of year	19,375	1,400	18,106	38,881

Freehold land amounting to £3,600,000 (2000 – £3,600,000) has not been depreciated.

10 Tangible fixed assets (continued)

Company	Freehold land and buildings £'000	Short leasehold property £'000	Furniture, vehicles, plant and machinery £'000	Total £'000
Cost				
At beginning of year	15,242	3,024	6,209	24,475
Additions	1,414	-	303	1,717
Disposals	-	-	(4,625)	(4,625)
At end of year	16,656	3,024	1,887	21,567
Depreciation				
At beginning of year	228	2,661	5,168	8,057
Charge for the year	293	53	50	396
Disposals	-	-	(3,796)	(3,796)
At end of year	521	2,714	1,422	4,657
Net book value				
At beginning of year	15,014	363	1,041	16,418
At end of year	16,135	310	465	16,910

Freehold land amounting to £3,600,000 (2000 – £3,600,000) has not been depreciated.

11 Fixed asset investments

	2001 £'000	2000 £'000
Group		
Cost and net book value at beginning of year	236	70
Additions	683	166
Cost and net book value at end of year	919	236

During the year the group and company purchased shares in London Stock Exchange PLC for £635,000. In the year ended 30 June 2001 London Stock Exchange PLC made profits after taxation of £15,200,000. As at 30 June 2001 London Stock Exchange PLC had total capital and reserves of £242,000,000. Also during the year, the group purchased shares in the JSE Securities Exchange South Africa for £48,000.

11 Fixed asset investments (continued)

	2001 £'000	2000 £'000
Company		
Cost and net book value at beginning of year	89,966	15,063
Additions	27,370	74,903
Cost and net book value at end of year	117,336	89,966

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.

	Country of incorporation	*Principal activity*	*Share capital*	*Holding*
Computershare Investor Services PLC	England and Wales	Share registry	£15,000,000 ordinary	100%
Computershare Registry Services Limited	England and Wales	Holding company	£2 ordinary	100%
Computershare Technology Services (UK) Limited	England and Wales	Software development	£2 ordinary	100%
Computershare Analytics (UK) Limited (formerly Citywatch Limited)	England and Wales	Equity market research	£12,500 ordinary	100%
Computershare Trustees Limited	England and Wales	Trustee and administration services	£2 ordinary	100%
Computershare Services (South Africa) Pty Ltd	South Africa	Holding company	Rand 100 ordinary	60.3%
Computershare Inc	USA	Holding company	US$52,911,684 ordinary	100%
Computershare Investor Services LLC	USA	Share registry	US$39,703,613 ordinary	100%
Computershare Trust Company of Canada (formerly Computershare Investor Services Inc)	Canada	Share registry	CAN$142,808,937 ordinary	100%

12 Stocks

	Group	
	2001 £'000	2000 £'000
Raw materials and consumables	1,352	1,034

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

13 Debtors

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Amounts falling due within one year:				
Trade debtors	25,792	25,675	-	34
Amounts owed from group undertakings	1,382	1,421	395	1,628
Amounts recoverable on contracts	-	163	-	-
Corporation tax recoverable	-	-	1,655	889
Other debtors	4,704	560	99	79
Prepayments and accrued income	11,911	8,765	72	233
	43,789	36,584	2,221	2,863
Amounts falling due after more than one year:				
Amounts owed from group undertakings	-	-	21,346	16,458
Deferred tax asset (see note 16)	3,334	-	-	-
	3,334	-	21,346	16,458
	47,123	36,584	23,567	19,321

14 Creditors: Amounts falling due within one year

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank loans and overdrafts	-	8,000	21,812	16,306
Trade creditors	5,183	11,727	333	265
Amounts owed to group undertakings	2,742	36,738	413	28,386
Corporation tax payable	4,621	2,135	-	-
Other taxation and social security	1,431	2,635	312	377
Other creditors	9,690	8,011	-	120
Accruals and deferred income	12,343	8,780	36	240
	36,010	78,026	22,906	45,694

Amounts owed to group undertakings are unsecured and bear interest at 7.25% per annum (2000 – 6%)

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Amounts owed to group undertakings	98,826	34,416	74,232	34,221
Other creditors	2,034	-	-	-
	100,860	34,416	74,232	34,221

Amounts owed to group undertakings have no fixed repayment terms, are unsecured and bear interest at 7.25% per annum (2000 - 6%). Other creditors fall due within 1 to 2 years.

16 Provisions for liabilities and charges

The deferred taxation status is as follows:

Group	2001		2000	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Deferred tax asset (see note 13)	3,334	-	-	196
Deferred tax liability	(504)	-	(350)	-

The deferred tax asset has arisen from losses made by the group.

17 Called-up share capital

Group and Company	2001 £'000	2000 £'000
Authorised		
100,000,000 ordinary shares of £1 each	100,000	10,000
Allotted, called-up and fully-paid		
63,070,587 ordinary shares of £1 each	63,071	10,000

During the year the company allotted 53,070,587 shares with a nominal value of £53,070,587 to its parent company, Computershare Limited (Australia) in connection with the acquisitions of the Trust Company of the Bank of Montreal, Citywatch Limited, Merrill Lynch Employee Share Purchase Plan and Financial Data Concepts Inc, (see note 19).

18 Minority interests

	2001 £'000	2000 £'000
Group		
Beginning of year	496	70
Profit on ordinary activities after taxation	258	454
Dividends paid	-	(28)
Exchange movement	(43)	-
End of year	711	496

19 Reserves

Group	Capital reserve £'000	Profit and loss account £'000	Total £'000
At beginning of year	46,532	8,052	54,584
Capital received from parent company	7,071	-	7,071
Issue of share capital (see note 17)	(53,071)	-	(53,071)
Retained profit for year	-	11,348	11,348
Gain on foreign currency	-	6,863	6,863
At end of year	532	26,263	26,795

Company	2001 £'000	2000 £'000
Profit and loss account		
At beginning of year	(7,124)	(4,739)
Retained profit/(loss) for the year	7,607	(2,385)
End of year	483	(7,124)

During the year ended 30 June 2001 the parent company Computershare Limited (Australia) made a capital contribution to the company of £7,071,000 (year ended 30 June 2000 - £46,532,000). During the year ended 30 June 2001 the company issued share capital to the value of £53,071,000, transferring this amount from the capital reserve to share capital (see note 17).

20 Reconciliation of movements in group shareholders' funds

	2001 £'000	2000 £'000
Profit for the financial year	11,348	6,393
Other recognised gains and losses relating to the year (net)	6,863	2,043
	18,211	8,436
Capital contribution from parent company	7,071	46,532
Net addition to shareholders' funds	25,282	54,968
Opening shareholders' funds	64,584	9,616
Closing shareholders' funds	89,866	64,584

21 Financial commitments

Operating leases

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

Group

	2001		2000	
	Land and buildings £'000	Plant and machinery £'000	Land and Buildings £'000	Plant and machinery £'000
Expiry date				
- within one year	295	578	1,064	1,275
- between two and five years	1,161	1,054	1,089	40
- after five years	3,814	71	2,250	27
	5,270	1,703	4,403	1,342

21 Financial commitments (continued)

Company

	2001		2000	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Expiry date				
- within one year	-	2	-	2
- between two and five years	30	-	30	-
- after five years	166	-	423	-
	196	2	453	2

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 £2,694,000 (2000 - £1,424,000). As at 30 June 2001, the amount due to the scheme was £168,000 (2000 - £nil).

23 Contingent liabilities

As part of the agreement for the purchase of The Royal Bank of Scotland plc's share registry business on 1 January 1998, the group agreed to cover the difference between the commercial rates of interest charged by The Royal Bank of Scotland plc on mortgages and loans offered to its previous employees, and the beneficial rates of interest previously charged by the bank on these loans.

As at 30 June 2001, the level of lending against which the group could have an obligation to pay any difference in interest rates in future periods was £8,937,000 (2000 - £10,540,000). At current base rates, the group's annual interest obligations are approximately £79,000 (2000 - £157,000).

As part of the contract of employment in respect of certain categories of the group's employees working in South Africa, the group will contribute towards medical aid after retirement. A potential liability of £1,156,000 in respect of these costs was assessed as at 31 December 2000 by NMG Consultants and Actuaries (Proprietary) Limited.

24 Subsequent events

In November 2001 the group agreed to acquire the securities business of Mercantile Lisbon Bank Holdings Limited in South Africa. This business encompasses registry, custodial and share dealing/brokering services.

In December 2001 the group announced a joint venture with Deutsche Boerse AG, the leading European exchange and technology organisation, to form Deutsche Boerse Computershare GmbH which will initially provide share registration and related services in the German market, and at a later stage in Continental Europe.

25 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 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 financial statements 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.