

# ANNUAL REPORT 2015



CERTAINTY

INGENUITY

ADVANTAGE



This financial report covers the consolidated entity consisting of Computershare Limited and its controlled entities.

The financial report is presented in United States dollars (USD), unless otherwise stated.

Computershare Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Computershare Limited  
Yarra Falls  
452 Johnston Street, Abbotsford  
Victoria 3067 Australia

The financial report was authorised for issue by the directors on 21 September 2015. The company has the power to amend and reissue the financial report.

A separate notice of meeting including a proxy form is enclosed with this financial report.

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\* The Chairman and Chief Executive Officer Report, Group and Regional Operating Review and Business Strategies and Prospects comprise our Operating and Financial Review (OFR) and form part of the Directors' Report.

## Financial highlights

The financial report is presented in United States dollars (USD) and all comparative references are to FY2014 unless otherwise noted.

	JUNE 2015	JUNE 2014	% CHANGE
<b>STATUTORY RESULTS</b>			
Total revenue	1,971.3 million	2,015.1 million	-2.2%
Net profit after Non-Controlling Interests (NCI)	153.6 million	251.4 million	-38.9%
Statutory earnings per share	27.61 cents	45.20 cents	-38.9%
<b>MANAGEMENT ADJUSTED RESULTS*</b>			
Management EBITDA	554.1 million	540.6 million	2.5%
Management net profit after NCI	332.7 million	335.0 million	-0.7%
Management earnings per share	59.82 cents	60.24 cents	-0.7%
<b>BALANCE SHEET</b>			
Total assets	3,801.5 million	3,808.2 million	-0.2%
Total shareholders' equity	1,177.6 million	1,267.2 million	-7.1%
<b>PERFORMANCE INDICATORS</b>			
Free cash flow	343.7 million	392.8 million	-12.5%
Net debt to management EBITDA	2.10 times	2.13 times	
Return on equity*	28.62%	28.01%	
Staff numbers	15,836	14,530	

For a reconciliation between statutory and management adjusted results, refer to note 3 in the Notes to the Consolidated Financial Statements.

\* These financial indicators are based on management adjusted results. Management adjusted results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance. Management adjustment items that were income to the Group are included in statutory results as other income and therefore management total revenue is consistent with statutory total revenue. Return on equity is calculated as management NPAT after NCI over average monthly shareholders' equity.

## Financial calendar

### 2015

**20 AUGUST** Record date for final dividend

**15 SEPTEMBER** Final dividend paid

**11 NOVEMBER** The Annual General Meeting (AGM) of Computershare Limited ABN 71 005 485 825

**LOCATION:** Computershare Conference Centre  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067

**TIME:** 10.00am

### 2016

**10 FEBRUARY** Announcement of the financial results for the half year ending 31 December 2015

# Chairman and Chief Executive Officer Report

On behalf of the Board of Directors, we are pleased to present our financial results for FY2015.

The Company started the year with a range of known challenges, but again delivered a creditable result, with strong cost outcomes underpinning our performance.

## YEAR IN REVIEW

In constant currency terms (measuring performance based on exchange rates from the prior period), the Group delivered growth in revenues, Management earnings per share (EPS) and Management net profit. However, the strengthening of the USD, our reporting currency, materially impacted our actual financial results.

Our statutory earnings were impacted by a goodwill impairment of \$109.5 million relating to the voucher services business. This followed the UK Government's decision to insource all administration related to its new Tax-Free Childcare scheme. This impairment was the primary driver of the fall in Statutory net profit of 38.9% year-on-year to \$153.6 million.

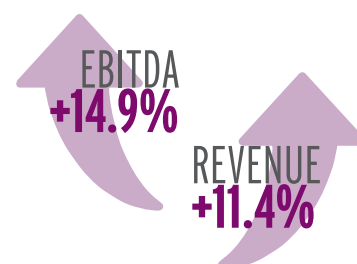
In actual currency terms, Computershare's key performance indicator, Management EPS, was down a modest 0.7% to 59.82 cents. Total revenues fell 2.3% to \$1,976.1 million. Operating costs were down by 4.1% to \$1,419.7 million, benefiting in part from the stronger USD.

There was a net benefit to revenues from the impact of acquisitions and disposals, while expenses were flat in constant currency terms despite the additional costs associated with the acquisitions made. Corporate actions activity was mixed and, like many revenue lines, suffered from the continuation of historically low interest rates, resulting in the weakest corporate actions revenues in over a decade. Operating cash flows were 9% lower this year at \$372.1 million and capital expenditure was \$38.6 million having normalised following the recent year lows. For the reconciliation between our statutory and management results, refer to note 3 on page 57 in the Notes to the Consolidated Financial Statements.

## ASIA

In local currency terms, Hong Kong experienced another period of solid revenue growth in the employee plans, registry maintenance and stakeholder relationship management segments. Corporate actions revenue fell with lower IPO activity, especially in the second half. The Indian registry services business experienced growth in register maintenance revenues, however this was offset by lower corporate actions revenue year-on-year. The Indian mutual funds business saw significant revenue growth over the prior year, underpinned by increased assets under management due to local equity market strength.

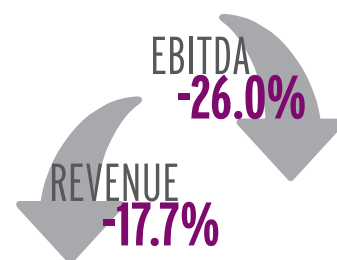
In USD reported terms, revenues in the Asian region increased 11.4% on FY2014 to \$124.6 million and EBITDA grew 14.9% to \$42.2 million.



## AUSTRALIA AND NEW ZEALAND

In local currency terms, lower revenues were driven by the loss of a major Serviceworks client and weaker sales in the communication services business. A reduction in Australian interest rates and maturing hedges also negatively impacted revenue and earnings. Corporate actions revenue grew year-on-year, while register maintenance revenues were flat. Operating costs also fell materially as the Serviceworks business was rightsized. New Zealand saw revenues fall year-on-year as corporate actions activity did not match the levels seen in FY2014.

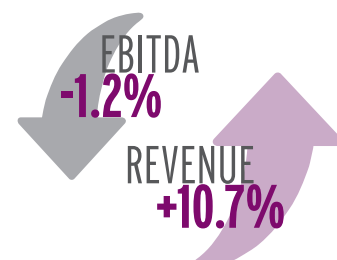
In USD reported terms, revenues in Australia and New Zealand decreased 17.7% on FY2014 to \$309.6 million and EBITDA was down 26.0% to \$51.7 million.



## UNITED KINGDOM, CHANNEL ISLANDS, IRELAND AND AFRICA (UCIA)

In local currency terms, revenues improved due to the Homeloan Management Limited (HML) acquisition in November 2014 and growth in voucher services, the deposit protection scheme business and communication services. The UK investor services business revenues fell year-on-year. The employee plans business also experienced lower revenues, impacted by lower margin income, weaker transactional activity as well as the re-presentation of material revenue and EBITDA to the Continental Europe region. Excluding HML's contribution, overall UCIA revenues fell, and EBITDA was lower year-on-year. This was due to a lack of significant corporate actions activity and lower transactional activity during the year. South African revenues fell in FY2015 however the Irish business experienced strong revenue growth year-on-year.

In USD reported terms, revenues in the UCIA region grew 10.7% on FY2014 to \$358.6 million although EBITDA fell 1.2% to \$119.0 million.

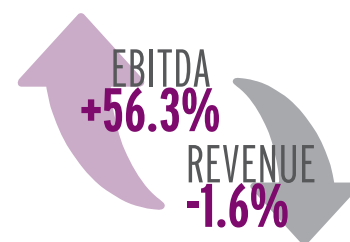


# Chairman and Chief Executive Officer Report

## CONTINENTAL EUROPE

In local currency terms, Russia saw an uplift in revenue year-on-year and Italian revenues also increased. Employee plan revenues related to Continental Europe clients (from Sweden, the Netherlands, Belgium, Finland, Switzerland and others) previously reported under the UCIA region are now reported under Continental Europe, resulting in stronger revenue and earnings contribution to the region. Offsetting this uplift, German revenue fell, significantly impacted by the sale of the Pepper Group in June 2014.

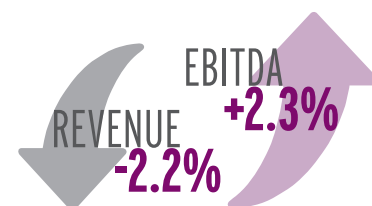
In USD reported terms, revenues in the region fell 1.6% on FY2014 to \$113.3 million while EBITDA rose 56.3% to \$22.2 million.



## UNITED STATES

Register maintenance and corporate actions revenues were lower year-on-year, offset in part by the contribution from the Registrar and Transfer Company acquisition in May 2014. The fall in revenue was in part due to lower yields on client balances but also as a result of weaker shareholder activity. Employee share plans revenue was also weaker than in FY2014 as a result of lower margin income and the absence of large projects. Stakeholder relationship management revenues were impacted by the sale of the Pepper Group and lower mutual fund solicitation mandates. Within business services, revenues were higher in mortgage servicing, and the class action administration business continued to achieve strong growth. Revenues were materially lower year-on-year in the bankruptcy administration business as filings continued to decline. Strong cost control again supported earnings improvement.

US revenues fell 2.2% on FY2014 to \$870.5 million but EBITDA increased 2.3% to \$213.5 million.

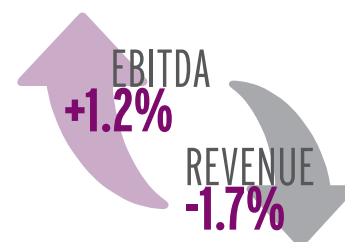


## CANADA

The region experienced year-on-year revenue growth across the board in local currency terms, assisted by the acquisition of the Olympia Corporate and Shareholder Services business in December 2013, SG Vestia Systems in March 2014 and the Valiant Trust assets in May 2015.

Corporate actions revenue was particularly strong in FY2015, especially in the first half, while employee plans revenue was also higher. Revenue and earnings outcomes were adversely impacted by falling margin income as a result of lower Canadian cash rates and lower reinvestment yields on maturing deposits.

In USD reported terms, Canadian revenues fell 1.7% on FY2014 to \$186.7 million, however, EBITDA increased 1.2% to \$76.6 million.



## GLOBAL SERVICES

Our Global Capital Markets group had another solid year in FY2015, facilitating complex cross-border listings and participating in various regulatory and market initiatives. Our Global Transactions Unit continued to service various market participants' cross-border transactions, internal custody-related activities for international share plans and facilitate local Australian IPO settlements.

## CAPITAL MANAGEMENT

The Company's issued capital was unchanged during FY2015, with 556,203,079 ordinary shares on issue as at 30 June 2015. Total assets decreased \$6.7 million year-on-year to \$3,801.5 million as at 30 June 2015 and shareholders' equity fell \$89.6 million to \$1,177.6 million over the same period, impacted by the impairment of the voucher services business and the balance sheet translation effect of the stronger USD.

Net borrowings increased marginally to \$1,213.8 million at 30 June 2015. Acquisitions and an increase in debt facilities in our US mortgage servicing business, which was required to facilitate its growth, offset debt reductions driven by strong operating cash flows. Our key leverage metric, Net debt to EBITDA fell from 2.13 to 2.10 times while net of non-recourse Advance debt fell from 1.96 to 1.86 times.

On 18 August 2015 the Company announced an on-market buy-back program. The program will run for up to 12 months from 1 September 2015, and the maximum value of shares that can be bought back is AUD 140 million.

## DIVIDENDS

Computershare announced a final dividend of AUD 16 cents per share, 25% franked, paid on 15 September 2015 (dividend record date was 20 August 2015). This follows an interim dividend of AUD 15 cents per share, 20% franked, paid in March 2015. The Company continues to operate a dividend reinvestment plan.

## TECHNOLOGY PRIORITIES

Total technology spend was \$236.1 million, 2.0% lower than FY2014. Technology costs included \$80.4 million in research and development expenditure that was expensed during the period. The technology cost to revenue ratio for FY2015 was 11.9%.



# Chairman and Chief Executive Officer Report

In a year of consolidation, our technology teams completed a number of significant acquisition integrations across the globe, including in Canada, the US and the UK, covering registry, employee plans and mortgage servicing businesses. The global servicing model infrastructure is now complete with the platform also supporting the UK, Europe and Asia. With a renewed focus on product, we leveraged our inbound processing platform in our US mortgage servicing business and for the Australian Government asset sale of Medibank, where we serviced over 400,000 calls and successfully administered the largest Australian IPO in 10 years.

## INVESTMENT ANALYSIS

A number of acquisitions took place during FY2015, including:

- > Homeloan Management Limited, a UK mortgage servicing business, acquired in November 2014 for \$88.6 million
- > Istifid S.p.A, a registry business in Italy, acquired in January 2015 for \$5.6 million
- > Topaz Finance Limited, a UK third party mortgage administration business, acquired in March 2015 for \$0.7 million
- > the assets of Valiant Trust Company, a Canadian transfer agency, corporate trust and employee share plan business, acquired in May 2015 for \$27.4 million

Following a CEO review, Computershare disposed of ConnectNow, part of the Serviceworks Group, in June 2015. Disposals were also concluded for the Russian business and VEM Aktienbank AG shortly after year end. Both these assets were classified as 'held for sale' at 30 June 2015.

## OUTLOOK

In August 2015, we reported that we expect underlying business performance in FY2016 to be broadly similar to FY2015, however, the translation impact of the stronger US dollar and anticipated lower yields on client balances are again expected to be significant earnings headwinds. The business is also anticipating some increased costs, including those associated with investments in product development and efficiency initiatives. Taking all factors into account, we reported that we expect Management EPS for FY2016 to be around 7.5% lower than FY2015.

This assessment of the outlook is subject to the forward-looking statements disclaimer in our annual results announcement and assumes that corporate actions activity is similar to FY2015, and that equity, foreign exchange and interest rate markets remain at the levels that existed at the time of providing that guidance.

## ACKNOWLEDGEMENTS

We would like to thank our clients who continue to use our market-leading services around the world. We again thank our employees for their contribution to this year's result as well as our fellow directors for their ongoing support and continued guidance. We also extend our best wishes to former director Nerolie Withnall and acknowledge her valuable contribution.

We appreciate our shareholders' continued loyalty, and welcome comments and feedback via [investor.relations@computershare.com.au](mailto:investor.relations@computershare.com.au).



CJ Morris  
Chairman



Stuart Irving  
Chief Executive Officer

# Group and Regional Operating Overview

## PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were the operation of investor services, plan services, communication services, business services, stakeholder relationship management services and technology services.

- > The investor services operations comprise the provision of registry maintenance and related services.
- > The plan services operations comprise the provision of administration and related services for employee share and option plans.
- > The communication services operations comprise laser imaging, intelligent mailing, inbound process automation, scanning and electronic delivery.
- > The business services operations comprise the provision of bankruptcy, class action and utilities administration services, voucher services, corporate trust services and mortgage servicing activities.
- > The stakeholder relationship management services group provides investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.
- > Technology services includes the provision of software, specialising in share registry and financial services.

Computershare has a range of regulated businesses around the world, including transfer agencies, licensed dealers, corporate trusts and mortgage servicers.

## REVIEW OF OPERATIONS

### Overview

The investor services business delivered improved performance in Asia and Canada with the Canadian business benefiting from both increased cross-border corporate actions activity as well as the full-year benefit of a prior period acquisition. Australia and New Zealand saw improved corporate actions activity and steady register maintenance activity, while the US experienced weaker performance largely driven by the maturity of a large USD deposit facility and weaker transaction activity. In Continental Europe, the Russian business saw higher revenues on the back of market volatility and the Italian business also delivered some modest improvement.

The plan services business was unable to match its prior period performance with margin income and lower levels of transactional activity affecting revenues principally in the UK and US regions; however, the Hong Kong and Canadian businesses continued to deliver strong outcomes. Communication services revenues were largely flat, but were adversely impacted by FX translation.

Business services' strong revenue growth was driven substantially by the acquisition of the HML mortgage servicing business in the UK and a greater contribution from class actions, the deposit protection scheme and the voucher services business. However, it was negatively impacted by weak activity levels in the bankruptcy administration business and the loss of a key client due to takeover in the Australian utilities administration business. The sale of the Pepper business in late FY2014 resulted in lower stakeholder relationship management revenues.

Following a CEO review, Computershare disposed of ConnectNow, part of the Serviceworks Group in June 2015. Disposals were concluded for the Russian business and VEM Aktienbank AG shortly after year end. Both these assets were classified as 'held for sale' at 30 June 2015.

### Revenue

Region	% of total revenue*	FY2015 \$ million	FY2014 \$ million
Asia	6%	124.6	111.9
Australia and New Zealand	16%	309.6	376.4
Canada	10%	186.7	189.8
Continental Europe	6%	113.3	115.1
United Kingdom, Channel Islands, Ireland and Africa (UCIA)	18%	358.6	324.0
United States	44%	870.5	889.7

\* Total external revenue and other income (total segment revenue) apportioned by region.



## Group and Regional Operating Overview

### Operating costs

Operating expenses were down 4.1% on FY2014 to USD 1,419.7 million. Cost of sales was USD 346.2 million, a decrease of 3.4%, while personnel costs excluding technology were USD 693.9 million, a decrease of 4.0%. Occupancy costs were USD 77.9 million, a decrease of 0.8%, and other direct costs were 18.8% lower at USD 65.5 million. Total technology spend decreased 2.0% to USD 236.1 million.

### Earnings per share

	2015 cents	2014 cents
Statutory basic earnings per share	27.61	45.20
Statutory diluted earnings per share	27.56	45.00
Management basic earnings per share	59.82	60.24
Management diluted earnings per share	59.72	59.97

The management basic and diluted earnings per share amounts have been calculated to exclude the impact of management adjusted items (refer to Note 3 in this financial report).

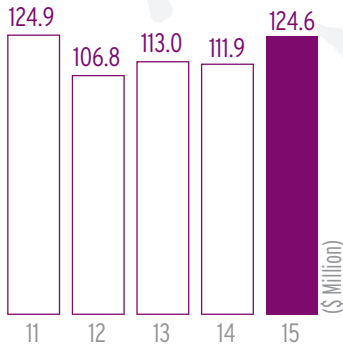
# Asia regional overview

## RESULTS

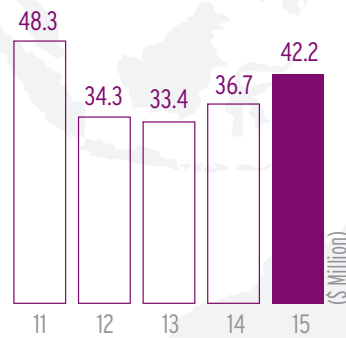
Strong results for our Plan Managers and Investor Services businesses were driven by high client retention, a record number of new client mandates and continued investment in local resources and technology. The HK/China plans market continues to grow through the increased use of equity compensation among publicly listed companies.



### +11.4% REVENUE



### +14.9% MANAGEMENT EBITDA



## OUTLOOK



### MARKET STRUCTURE

We'll continue to work with the HK Government to introduce Uncertificated Securities Market regulations which will change the operating environment for registry and open up other opportunities.

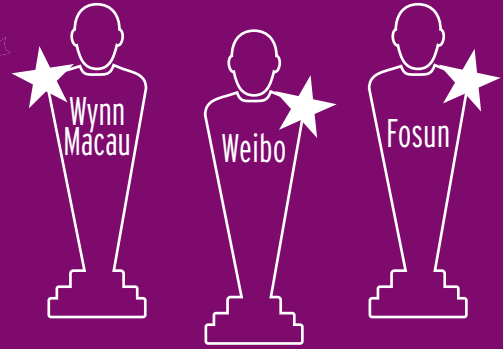


### FOCUS FOR FY2016

Continue investing in resources and technology to automate operations and offer innovative solutions that address the unique requirements of local markets

Explore opportunities to leverage existing Plan Managers Asia team and infrastructure to enter other Asian markets

## ACHIEVEMENTS BIG CLIENT WINS



for Plan Managers

### MORE THAN DOUBLED

revenue for proxy solicitation services in FY2015



### FINALIST



in the 2015 AustCham Westpac Australia-China 'Business Excellence for Services' awards

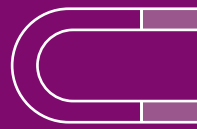
### INNOVATIVE SOLUTIONS



Generic stationery and other process improvements to help issuers reduce administrative tasks

### MANAGED

large corporate events for Cheung Kong and Hutchison, MTR corporation, Wing Hang Bank and China North and South Rail Corporations



### RETAINED

market share for IPOs in India, processing over one million applications

**WON** mandates for all the PRC financial sector IPOs

**88%**

market share for HK IPOs in terms of capital raised

**76%**

Hang Seng Index managed by Investor Services

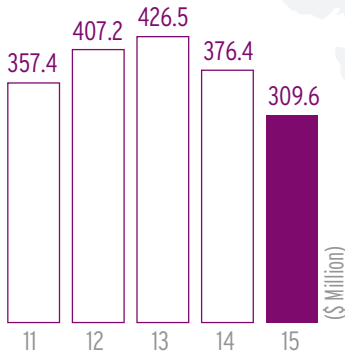
# Australia and New Zealand regional overview

## RESULTS

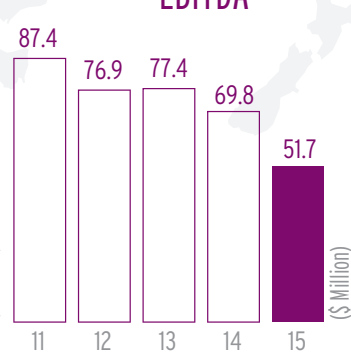
Our registry, employee plans, communication and proxy solicitation business lines in Australia and New Zealand delivered solid results based on client retention, some improved market activity and focus on cost reductions. The region's results were impacted by the loss of a key Serviceworks client and the weaker AUD.



### -17.7% REVENUE



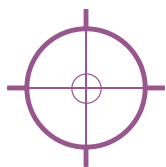
### -26.0% MANAGEMENT EBITDA



## OUTLOOK

### REGULATORY CHANGES

We continue to participate in reforms impacting our operating markets such as FATCA and potential changes to CHES.



### FOCUS FOR FY2016

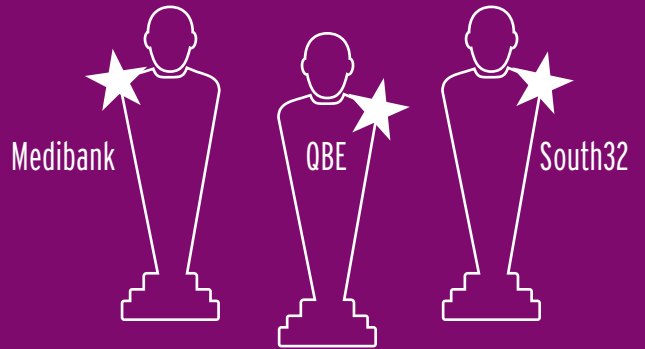
Continue enhancing front office skills, people and products to retain clients and win new business

Execute on the strategy to improve and grow Serviceworks in Australia

Leverage the investment in the inbound product offering for Communication Services

## ACHIEVEMENTS

### BIG CLIENT WINS



for Investor Services, Plan Managers and Communication Services



### HELPED OUR CLIENTS WIN

Employee Ownership Australia and New Zealand awards



### EXECUTED

large corporate actions Medibank, BHP, Wesfarmers and NAB, in excess of

**AUD 23.4 billion**



### DIVESTED

moving home service ConnectNow as part of a wider strategic review of the Serviceworks group

### ROLL OUT

of global service delivery model



### INNOVATIVE SOLUTIONS



Investor Trade the industry's first online sale facility allows issuer-sponsored holders to easily sell all or part of their shareholding

We look after

**70%** of the **ASX 20**

### Superpoint

online portals that help superannuation funds and banks meet the Smart Super reforms

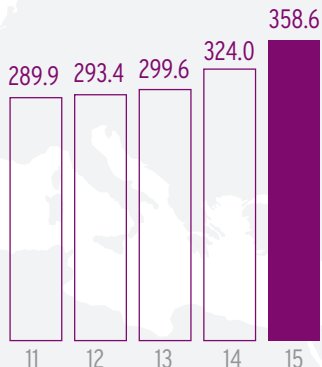
# United Kingdom, Channel Islands, Ireland and Africa (UCIA) regional overview

## RESULTS

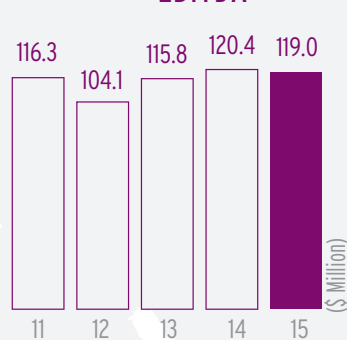
We performed well across most of our business lines, due to a number of new business wins, key contract renewals and strong operational performance.



**+10.7%** REVENUE



**-1.2%** MANAGEMENT EBITDA



## OUTLOOK



### REGULATORY CHANGES

We are preparing for the upcoming public consultation on dematerialisation and have contributed to an industry model for the UK Government to consider.

The closure of our Voucher Services scheme has been delayed until 2018-2020 due to the postponement of the Government's replacement scheme, Tax-Free Childcare.



### FOCUS FOR FY2016

Develop our products, services, communications, people and processes with a client focus, to drive customer satisfaction and retention

Integration of HML into the wider Computershare group

Capitalise on opportunities presented by increasing market activity and any rise in interest rates

## ACHIEVEMENTS

### BIG CLIENT WINS



for Plan Managers

### VOTED

**#1**

2015 independent UK Capital Analytics survey of registrars

### ACQUIRED



Homeloan Management Limited (HML)

### EXECUTED

large corporate actions for Aviva plc, BHP Billiton Ltd, Reckitt Benckiser Group and Glencore plc worth over

**£5.6 billion**

Irish business is transfer agent to

**60%** of European ETF market

### INTEGRATED

Morgan Stanley's European Global Stock Plan Services

### INNOVATIVE SOLUTIONS



On Demand Reporting tool for our share plan clients

### RETAINED

**over 75%** market share for listed companies in South Africa

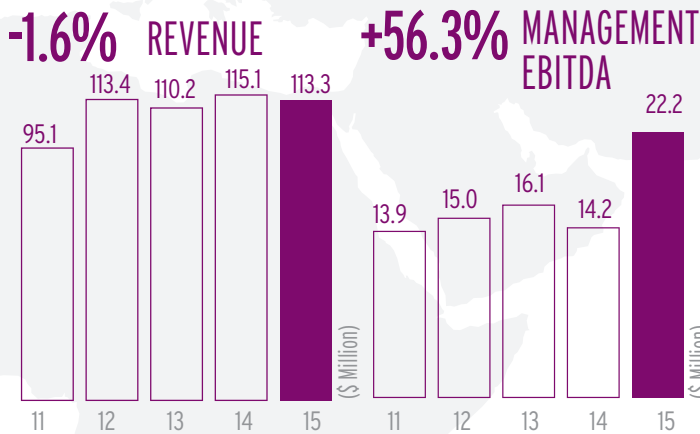
**90%** of Geogerson AGM clients



# Continental Europe regional overview

## RESULTS

EBITDA improved significantly as corporate actions activity increased and a new sales strategy for employee share plans generated a number of client wins. Our overall regional performance was offset by the decline of the Russian Ruble and Euro.



## OUTLOOK



### REGULATORY CHANGES

We continue to monitor Central Securities Depository regulations, Shareholder Rights Directive and Target 2 Securities.



### FOCUS FOR FY2016

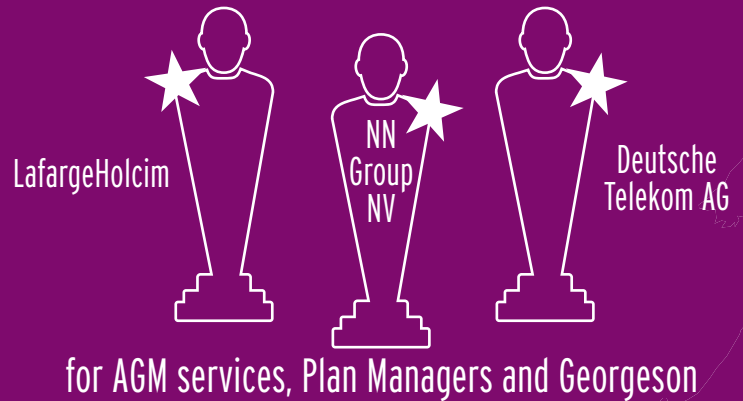
Increase focus on cross and upselling

Continue roll out of German plans business

Integrate Swiss share registry SIX SAG into the wider Computershare group

## ACHIEVEMENTS

### BIG CLIENT WINS



### GEORGESON CONSULTED

on large corporate actions for

Liberty Global and Klépierre worth over **\$13.4 billion**

### COMPLETED

the integration of Istifid into Italian business

### INNOVATIVE SOLUTIONS



Migrated Danish clients to global platform to offer additional dealing and FX trading services

Developed CIS PLC branch in Germany to enable roll out of German plans business

### HELPED OUR CLIENTS WIN

**WIN** GLOBAL EQUITY ORGANISATION AWARD for EVRAZ

**WIN** IFS PROSHARE AWARD for Amadeus

### RETAINED MARKET-LEADING POSITION

in all our main European markets

GERMANY 93%

DENMARK 80%

ITALY 75%

NETHERLANDS 76%



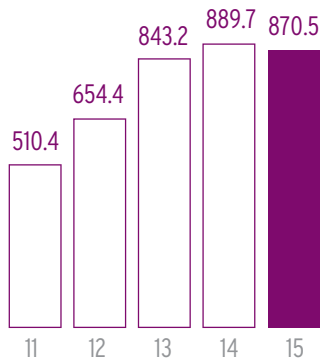
# United States regional overview

## RESULTS

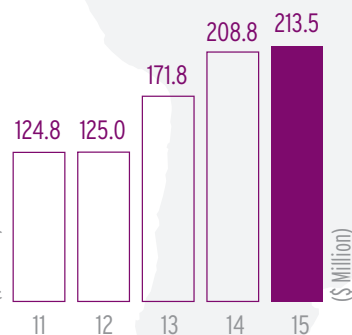
While the US business faced pressure from low interest rates, fewer large bankruptcies, and limited mortgage servicing transfers, we maintained performance by focusing on cost efficiencies, client retention and growth of our other business lines.



**-2.2%** REVENUE



**+2.3%** MANAGEMENT EBITDA

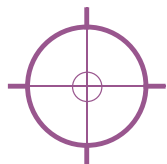


## OUTLOOK



### REGULATORY CHANGES

Changes in the mortgage servicing industry are creating increased sales opportunities for Communication Services' digital classification solution, Capturepoint.



### FOCUS FOR FY2016

Add employee plan participant telephone inquiries and outbound proxy solicitation to global service model

Expand staff and functions at the new Louisville site

Continue to drive global front office initiatives to win and retain business across all services

Grow the business by expanding in the mortgage servicing and class action arenas

## ACHIEVEMENTS

### BIG CLIENT WINS



for proxy solicitation services

### OPENED

operations centre in Louisville, Kentucky a lower-cost region of the US outside the snow and hurricane belt



### EXECUTED

large acquisitions for Actavis, Reynolds American and AbbVie in excess of

**\$118 billion**

### RATED



on Group Five Annual Shareholder Services Benchmark Study

### COMPLETED

the integration of the Registrar and Transfer registry, corporate proxy and financial print business

## INNOVATIVE SOLUTIONS



**Medallion Signature Guarantee alternative**  
shareholders can now submit authenticating documentation along with a service fee in lieu of a Medallion Signature Guarantee from a financial institution

**Extension of escrow to new markets**  
beyond our traditional market of M&A law firms to bankruptcy and class action law firms

Class actions business increased revenue by **50%**

We look after

**77%** of the **DOW 30**



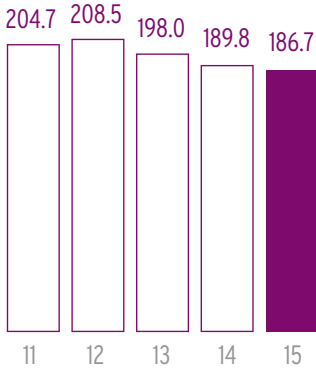
# Canada regional overview

## RESULTS

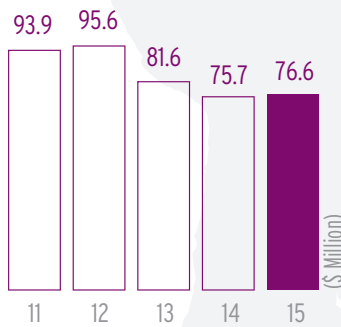
While the Canadian market continued to present challenges due to soft market conditions, we delivered solid results focusing on client retention, bringing new solutions to market and realising synergies from acquisitions.



### -1.7% REVENUE



### +1.2% MANAGEMENT EBITDA



## OUTLOOK



### A NEW DIRECTION

Leveraging his successful leadership of the corporate trust business, new President and CEO of Computershare Canada, **Stuart Swartz** will focus on wider business growth.



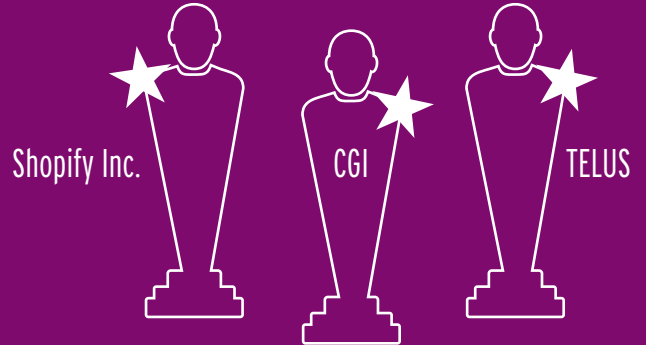
### FOCUS FOR FY2016

Enhance front office skills to retain clients and win new business

Realise synergies from recent acquisitions

## ACHIEVEMENTS

### BIG CLIENT WINS



for Investor Services and Plan Managers



### ACQUIRED

from Canadian Western Bank including stock transfer, employee plans and corporate trust businesses



### EXECUTED

key corporate actions for Burger King, Fortis Inc, Repsol and Endo in excess of **CAD 28 billion**



### INNOVATIVE SOLUTIONS



Private Capital Solutions giving exempt market dealers, private issuers and investors access to account administration and trustee services for exempt market securities in Tax Free Savings accounts and Registered Retirement Savings Plans

### MIGRATING

Started migrating clients from FY2014 acquisition **SG Vestia Systems Inc** onto our systems



### ADMINISTRATION

**CAD 1.5 trillion** of debt



We have

**66%** of the Transfer Agent Market



# Global Technology overview

## RESULTS

With forward planning, financial management and customer-centric design, we continued to deliver on acquisition integrations, platform renovation, product innovation and security for our clients.



## OUTLOOK

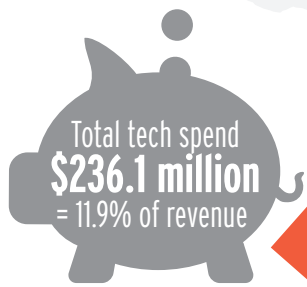


**FOCUS FOR FY2016**

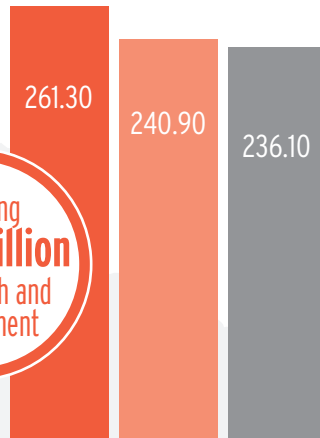
Innovation uplift across the organisation to drive better products for our customers

Product renovation and innovation across the employee plans business

Consolidation across the infrastructure layers, including cloud technologies, to facilitate consistency and cost agility



including **\$80.4 million** in research and development



## ACHIEVEMENTS

### DRIVING SYNERGIES

Finished integrating global acquisitions:



### INTEGRATED IPO SOLUTION

Used our inbound document processing capability and multi-channel integration, to support the biggest Australian IPO in 10 years

Processed **400,000** calls over 12 weeks, with **82%** of calls answered within **30 seconds**

### GLOBAL SERVICING MODEL ROLL OUT COMPLETE

with virtual desktop platform now servicing UK, Europe and Asia



### ECONOMIES OF SCALE

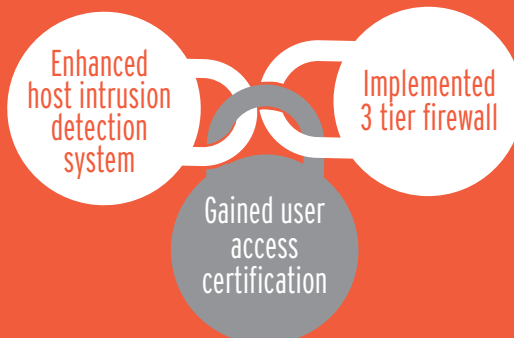
Integrated proprietary inbound and document processing platforms into the SLS Mortgage servicing business



### LAUNCHED

**GARAGE**  
a centre for product innovation excellence, big data analytics and new digital business models in Melbourne

### SECURITY INITIATIVES



### LAUNCHED

**Superpoint** product in Australia to deliver a **Superstream compliant** multi-tenanted solution for banks, funds and employers in the superannuation market

# Global Capital Markets overview

## RESULTS

FY2015 was another solid year for our Global Capital Markets business. We used our global network and platform to facilitate complex cross-border listings, contribute to regulatory and market initiatives and assist with strategic business projects.

## OUTLOOK



### FUTURE EFFICIENCIES

Upgrade US custody capability to support growing UK and Ireland plans business of US listed companies.



### FOCUS FOR FY2016

Win new cross-border business mandates and service market participants transferring securities between markets

Release xSettle™ application into New Zealand first quarter 2016

Monitor and engage on key market developments globally

## ACHIEVEMENTS

### BIG CLIENT PROJECTS

\$9 billion demerger

of South32 from BHP Billiton spanning 4 markets

Transatlantic merger

between GTECH and International Game Technology

### PROCESSED

over 33,000 transactions

18,000

Cross-border transactions spanning 8 markets

2,500

IPO settlements in Australia

12,500

US Custody transactions for UCIA and Continental Europe share plans businesses

UK Depository Interest Services now provided to issuers from 24 Countries 62% market share

## MARKET DEVELOPMENT

Engaging with industry stakeholders on:

T+2 settlement

UK, Ireland and Hong Kong dematerialisation

Shareholder Rights Directive in Europe

Vote confirmation principles and pilots

Corporate actions communications

## INNOVATIVE SOLUTIONS



Cross-border application xSettle™ released into South Africa



Domestic depository interests supporting cross-border listings in UK or Ireland by redirected companies listed on US stock exchanges

# Corporate Responsibility

## ENVIRONMENT

We have sustainability targets and environmental programs in place around the globe to further minimise our already low impact on the natural world.



## MINIMISING OUR RESOURCE CONSUMPTION

Progress on 5 year plan to reduce gas, electricity, water and waste in 4 key premises by 2018:

 <p><b>General waste</b> The Pavilions, Bristol and Burr Ridge, Chicago have <b>reached</b> and <b>maintained</b> their <b>targets</b></p>	 <p><b>Electricity</b> East Beaver Creek, Toronto and Burr Ridge have <b>reached</b> and <b>maintained</b> their <b>targets</b></p>	 <p><b>Natural gas</b> The Pavilions have <b>reached</b> and <b>maintained</b> their individual site <b>target</b> with Yarra Falls, Melbourne almost at the target</p>	 <p><b>Water</b> Burr Ridge have <b>reached</b> and <b>maintained</b> their individual site <b>target</b></p>
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## REVIEW OF FY2015 SUSTAINABILITY OBJECTIVES

GREAT RESULTS FROM OUR GLOBAL GREEN OSCARS PROJECT

11 COUNTRIES  
20 LOCATIONS  
4 NEW LOCATIONS  
47 PROJECTS



SUCCESSFUL GREEN DAYS

Carbon Games was the most popular among employees



IMPLEMENT FIRST SUSTAINABILITY PRINCIPLES GLOBALLY

Rolled out for internal meetings, IT powersave, recycling and eWaste



IDENTIFY AND IMPLEMENT TARGETS FOR NEW OFFICES

Completed for Hong Kong, Munich, Auckland and Canton, US



REVIEW OF GLOBAL EWASTE PROGRAMME

Effective eWaste program confirmed to be in place for all locations

## EMPLOYEES' PARTICIPATION DRIVES OUR SUSTAINABILITY EFFORTS

We share our sustainability activity internally through newsletters, intranet news pages and our internal networking platform. Visit [www.computershare.com/csr](http://www.computershare.com/csr) for more info or scan the QR code.

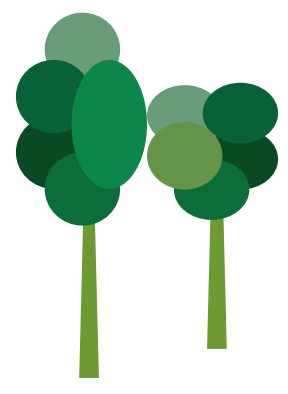




# COMMUNITY

Our global community giving programme Change A Life funds projects that address poverty and empower communities to effect change around the world.

Donations of **AUD 550,000** supported **4 projects** in FY2015



## SUNRISE COMMUNITY VILLAGE IN SIHANOUKVILLE, CAMBODIA

**101** orphans, **89** HIV positive

**10** of **12** houses occupied

**4** kitchens in use

**AUD 200,000** donation from Computershare will fund new classrooms and houses

## TALENSI FARMER MANAGED NATURAL REGENERATION INITIATIVE, GHANA

**3rd year of 5 year** commitment, low-cost land restoration technique reducing the hunger gap for



**8,000** children and their families



technology health education

## COMMUNITY LEARNING CENTRE PROJECT, KENYA

**4th year,** giving over **2,000** local people access to services and resources in:



technology



health



education

## COME-SHARE EDUCATION PROJECT, SRI LANKA



**15 years** of support from Computershare



**823** students received individual tuition to date



Average of **280** students a year attend group classes



**6th year**

**77 riders**

## CHANGE A LIFE CYCLING INITIATIVE, SOUTH AFRICA

Raised **AUD 345,000** of **2 million donation** to anti-crime and youth development projects



**5 days**

**600 kms**



Get updates on environmental and community activity on our Twitter feed (@Computershare), corporate Facebook page and at [www.computershare.com/csr](http://www.computershare.com/csr) and the Change a Life website at [www.changealife.com.au](http://www.changealife.com.au)

# Business Strategies and Prospects

## OUTLOOK

In August 2015, we reported that we expect underlying business performance in FY2016 to be broadly similar to FY2015, however, the translation impact of the stronger US dollar and anticipated lower yields on client balances are again expected to be significant earnings headwinds. The business is also anticipating some increased costs including those associated with investments in product development and efficiency initiatives. Taking all factors into account, we reported that we expect Management EPS for FY2016 to be around 7.5% lower than FY15.

This assessment of the outlook is subject to the forward-looking statements disclaimer in our annual results announcement and assumes that corporate actions activity is similar to FY2015, and that equity, foreign exchange and interest rate markets remain at the levels that existed at the time of providing that guidance.

Computershare's strategy is to focus on:

- > seeking acquisition and other growth opportunities where they will add value and enhance returns for Computershare shareholders
- > improving front office skills to protect and drive revenue
- > driving operational quality and efficiency through improved measurement, benchmarking and technology

We are prioritising actions that will best assure our future:

- > protecting profitability in our mature businesses through new revenue and cost initiatives
- > investing in growth opportunities for businesses that offer that potential, such as mortgage servicing and share plan administration
- > evaluating new business opportunities but with high investment hurdle thresholds

In delivering on our strategic focus, we remain cost disciplined and have continued to add volume to our Global Service Model and we have also commenced a project to centralise US operations which is currently in the investment phase. Further refinements to our business portfolio were achieved with the HML acquisition opening up new opportunities in the UK mortgage servicing sector and the Valiant acquisition further strengthening our Canadian market position. We are also using third party IT development where appropriate to support certain projects, with this approach delivering greater resource flexibility and cost savings.

While the competitive landscape remains challenging, we continue to achieve high levels of customer satisfaction and client retention. Our investments in integrated products helped us win a number of new clients across the Group.

We have also recently concluded a prioritised 'asset clean up' of non-core or underperforming assets. We continue to robustly assess the performance, future opportunities and prospects of all our operating assets.

## RISKS

The Board is ultimately responsible for ensuring that Computershare's risk management practices are sufficient to mitigate the risks present in our business as efficiently and effectively as possible. The Board delegates some of this responsibility to the Risk and Audit Committee.

In FY2014, the Board initiated a significant restructure of the Group's risk and internal audit functions, which included a separation of the internal audit function from the risk function. The restructure has resulted in a clearer model for the oversight and management of risk in Computershare, based on the three lines of defence model. This model provides a simple framework for the implementation and oversight of risk management in which management, as the first line of defence, has primary responsibility for risk management and control activities.

The risk function, as part of the second line of defence, is responsible for setting and implementing the risk framework and supporting tools and methodologies as well as providing advisory support to management.

The internal audit function, as the third line of defence, provides an independent and objective assurance function with the responsibility of confirming that the framework, policies, and controls designed to manage key risks are being executed by management. Internal audit carries out regular systematic monitoring of control activities and reports its findings to the senior managers of each business unit as well as to the Risk and Audit Committee.

Significant progress has been made during the reporting period to enhance the effectiveness of the Group's risk function with a material increase in resources being applied to the function and a comprehensive review and update having taken place over the Group's enterprise risk management framework, policies, risk registers and reporting processes.

## RISK SUMMARY

The following outlines areas of material risk that could impact our ability to achieve our strategic objectives and future financial prospects including, where applicable, our exposure to economic, environmental or social sustainability risks and how we seek to mitigate or manage them.

### Strategic and regulatory risk

Our businesses operate in highly-regulated markets around the world and our success can be impacted by changes to the regulatory environment and the structure of these markets. As an organisation we pay very close attention to regulatory developments globally and play an active role in consulting with regulators on changes which could impact our business.

Many of our key businesses are also subject to direct regulatory oversight and we are required to maintain the appropriate regulatory approvals and licenses to operate, and in some cases adhere to certain financial covenants.



## Business Strategies and Prospects

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Our business is also at risk of disruption from new technologies and alternative service providers. This means we must be constantly looking for ways to improve our services by investing in new technologies and processes. We have also established a dedicated innovation team which is responsible for rapidly assessing the viability of new business ideas and initiatives in an agile yet systematic manner using proven innovation techniques.

Our future prospects also depend on finding and executing on opportunities to grow and diversify our business. We are potentially constrained by market structure and competition law restrictions from significantly growing our registry services footprint by acquisition (unless subsequent market structure changes present new opportunities) and this inevitably changes the focus of our future investment decisions. There is also inherent risk in any acquisition, including risk of financial loss or missed earnings potential from inappropriate acquisition decisions as well as integration risk in its implementation. Computershare has a strong track record of acquiring and integrating businesses successfully in particular in the businesses of registry and share plan administration. We have a deliberately focused acquisition strategy and rigorous approval processes and we also undertake subsequent reviews of our acquisitions and their performance.

### Financial risk

Our financial performance each year is underpinned by significant annuity revenue. However, there is also a material proportion of revenue that is derived from transactional activity that is dependent on factors outside our control that can be challenging to predict. Changes to market activity generally as well as foreign exchange rates have the ability to impact on our financial performance.

Margin income is a key contributor to earnings. Changes in investment restrictions, interest rates and to the level of balances that we hold on behalf of clients can have a material impact on the Group's earnings. We also have strong relationships with the global financial institutions that hold our client balances. We have robust policies and other protections to manage risks associated with placing those funds and we also make significant investments in processes and technology to identify, allocate, reconcile and oversee client monies.

We also experience vigorous competition in all of the markets in which we operate and the actions of our competitors can impact on our financial prospects. For example, aggressive price discounting by competitors could adversely affect our ability to retain existing clients and also win new clients. We continually strive to remain the leading provider of services in all our business lines globally and invest significantly in new technology and services to maintain our market-leading position.

### Operational risk

Computershare is responsible for managing valuable client data. This presents a range of challenges, from ensuring the security and integrity of that data as well as the continuity of our service in the face of internal and external factors. We manage these risks through extensive business continuity planning and testing as well as rigorous internal controls around the ability to access and modify client data. We also make significant investments in technology and services to protect data at rest, in motion and at end point, including a specialist information security team whose responsibilities include ensuring we have appropriate and effective systems in place to protect our and our clients' data from unauthorised access. Our dedicated fraud team is also responsible for analysing information and transactions to mitigate the risk of fraud (both internal and external) and these resources are focused on areas of highest potential exposure.

Computershare also undertakes high volumes of transactional processes, some of which are complex. There is a risk that failure to process these transactions correctly could result in liabilities being incurred to third parties. We invest significantly in technology to automate processes where possible. We also have policies, processes and corresponding controls to assist in mitigating this risk, which are routinely tested. The Group also maintains insurance.

# Corporate Governance Statement

## 1. COMPUTERSHARE'S APPROACH TO CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance by overseeing a sound and effective governance framework for the management and conduct of Computershare's business. This corporate governance statement sets out a description of Computershare's main corporate governance practices. All practices were in place for the entire year ended 30 June 2015, unless otherwise stated.

In this statement 'Group' is used to refer to Computershare Limited and its controlled entities, and references to 'Group management' refer to the Group's Chief Executive Officer and the executives reporting directly to the Chief Executive Officer.

This Corporate Governance Statement has been approved by the Board and is current as at 21 September 2015.

## 2. BOARD RESPONSIBILITIES

The Board is responsible for the corporate governance of the Group and is governed by the principles set out in the Board Charter. A copy of the Board-approved Charter is available from <http://www.computershare.com/governance>.

The principal role of the Board is to ensure the long-term prosperity of the Group and, in doing so, to determine the Group's strategic direction. The Board also sets broad corporate governance principles, which govern the Group's business operations and accountability, and ensures that those principles are effectively implemented by Group management.

The Board's other reserved powers and duties can be divided into five distinct areas of responsibility, an overview of which is provided below:

- › **Strategic planning for the Group** – involves commenting on, and providing final approval of, the Group's corporate strategy and related performance objectives, as developed by Group management, as well as monitoring Group management's implementation of, and performance with respect to, that agreed corporate strategy.
- › **Financial matters** – includes approving the Group's budgets and other performance indicators and monitoring progress against them, as well as approving and monitoring financial and other reporting, internal and external audit plans, enterprise risk management plans and the progress of major capital expenditure, acquisitions and divestitures.
- › **Corporate governance** – incorporates overseeing Computershare's corporate governance framework, including approving changes made to key supporting Group policies and overseeing Computershare's reporting to shareholders and its compliance with its continuous disclosure obligations.
- › **Overseeing Group management** – involves the appointment and, if required, removal of the Chief Executive Officer and the monitoring of his or her ongoing performance, as well as, if applicable, the appointment and if required, removal of Group management personnel, including the Chief Financial Officer and Company Secretary.
- › **Remuneration** – comprises the approval of Computershare's overall remuneration framework and determining the remuneration of non-executive directors within the limits approved by shareholders.

The Board Charter requires the Board to appoint a lead independent director in circumstances where the Chair of the Board is not considered by the Board to be independent. The duties of the lead independent director include assuming the role of Chair, if and when the Chair is unable to act in that capacity due to unavailability or lack of independence, acting as a liaison point for the independent non-executive directors when required, and conferring with the Chair on any issues raised by the independent non-executive directors in connection with the Chair's performance of his or her responsibilities.

In addition, the Board has delegated the responsibility for day-to-day management and administration of Computershare to the Chief Executive Officer. Ultimately, Group management is responsible for managing the Group in accordance with the corporate strategy, plans and policies approved by the Board, and is required to provide appropriate information to the Board to ensure it can effectively discharge its duties.

## 3. BOARD COMPOSITION AND DIRECTOR APPOINTMENT

Computershare's Constitution states that the Board must have a minimum of three and a maximum of ten directors. Re-appointment is not automatic and if retiring directors would like to continue to hold office they must submit themselves for re-election by Computershare's shareholders at the Annual General Meeting. No director (other than the Chief Executive Officer) may be in office for longer than three years without facing re-election.

In addition to ensuring that the Board has the mix of skills, knowledge and experience commonly required across boards of major ASX listed companies, the Board is also focused on ensuring that its composition aligns with the Group's strategic objectives and that it has the necessary skills and expertise to provide oversight of those areas of the Group's business where there is greatest scope to increase shareholder value in the future.

As a global organisation, it is also of great importance to the Board that it has an appropriate balance of directors who are based in Australia, as well as directors who are based in or who have experience of regions where there are significant group operations. The Board also considers its size should be conducive to effective discussion and efficient decision making. The Board regularly reassesses its composition to ensure that it continues to meet these requirements.

To assist in this process the Board has developed a Board skills matrix which sets out the skills and experiences that the Board has or is looking to achieve. The current skills and experience of the Board assessed as a whole against the matrix is as follows:

<b>Leadership and governance</b>	<b>Total out of eight Directors</b>
Strategy	8
Innovation and entrepreneurship	4
CEO level experience	5
Other non-executive director experience	7
Corporate governance	6
<b>Business experience</b>	
M&A and capital markets experience	8
International business experience	6
Working in regulated industries	6
Outsourced business services	6
Business development / access to networks	5
<b>Financial and risk</b>	
Accounting and finance	5
Banking and treasury	5
Audit, risk management and compliance	5
<b>Other</b>	
Technology	5
HR / remuneration	5
<b>Geographic experience</b>	
North America	6
UK and Europe	8
Asia	3
Australia	6

During the reporting period two additional non-executive directors were appointed to the Board, Mrs Tiffany Fuller and Mr Joseph Velli. The appointment of a US-based Board member had been an objective of the Board and Mr Velli brings extensive executive experience in the financial services industry in that region. In addition to strong strategic thinking and general business experience, Mrs Fuller's appointment provides further Australian-based accounting and finance and audit, risk and compliance experience to the Board.

All of Computershare's non-executive directors have signed formal letters of appointment setting out the key terms and conditions relating to their appointment as a director. Senior managers at Computershare also sign employment agreements, except in certain overseas jurisdictions due to local employment practices.

Proposed appointees to the Board are subject to appropriate background checks. The format of these checks is dependent on the residence of the proposed director but would typically include police and bankruptcy checks and searches of relevant public records and filings. This is in addition to confirmation of the proposed director's experience and character as appropriate.

Any director appointed by the Board will be required to stand for election at the next AGM, at which time the Company will provide in the notice of meeting all material information known to the Company that is relevant for shareholders to decide on whether or not to appoint the director.

On appointment, all new directors undertake an induction process. They receive copies of all key governance documents as well as briefings from senior management on material matters relating to the Computershare group including, strategic considerations, financial performance, major markets and business lines and operational and technological capability. As the Board holds meetings in all of the major markets in which the Group operates, new directors are, along with the rest of the Board, given the opportunity to meet with regional management and visit operational facilities during those meetings.

Computershare does not have a formal program of professional development for its directors. Directors receive briefings on material developments, including structural developments and market changes, that relate to the Group's operations. Directors may also request that the Company provide them with specific development opportunities which they may consider necessary to improve their skills and knowledge.

# Corporate Governance Statement

## The Directors

As at the date of this Annual Report, the Board composition (with details of the professional background of each director) is as follows:

### Christopher John Morris



**Position:** Chairman  
**Age:** 67  
**Independent:** No  
**Years of service:** 37

#### Term of office

Chris Morris and an associate established Computershare in 1978. He was appointed Chief Executive Officer in 1990 and oversaw the listing of Computershare on the ASX in 1994. Chris became the Group's Executive Chairman in November 2006 and relinquished his executive responsibilities in September 2010. Chris was last re-elected in 2012.

#### Skills and experience

Chris has worked across the global securities industry for more than 30 years. His knowledge, long-term strategic vision and passion for the industry have been instrumental in transforming Computershare from an Australian business into a successful global public company.

#### Other directorships and offices

Non-Executive Chairman of Smart Parking Limited (appointed in March 2009)  
Non-Executive Chairman of DTI Limited (appointed in June 2011)  
Non-Executive Director of Adslot Limited (from September 2010 to February 2014)

#### Board Committee memberships

Chairman of the Nomination Committee  
Chairman of the Acquisitions Committee  
Member of the Remuneration Committee

### Stuart Irving



**Position:** Chief Executive Officer  
**Age:** 44  
**Independent:** No  
**Years of service:** 1

#### Term of office

Stuart Irving was appointed Chief Executive Officer and President of Computershare on 1 July 2014. He joined Computershare in 1998.

#### Skills and experience

Stuart held a number of roles at The Royal Bank of Scotland before joining Computershare as IT Development Manager in the UK. Stuart subsequently worked in South Africa, Canada and the US before becoming Chief Information Officer for North America in 2005 and then the Computershare Group's Chief Information Officer in 2008.

#### Board Committee membership

Member of the Nomination Committee  
Member of the Acquisitions Committee

### Penelope Jane Maclagan

BSc (Hons), DipEd



**Position:** Non-Executive Director  
**Age:** 63  
**Independent:** No  
**Years of service:** 20

#### Term of office

Penny Maclagan joined Computershare in 1983 and was appointed to the Board as an executive director in May 1995. Penny relinquished her executive responsibilities in September 2010. Penny was last re-elected in 2012.

#### Skills and experience

Penny has over 30 years of experience and knowledge in the securities industry. Having led Computershare's Technology Services business until 2008, Penny has a very deep understanding of Computershare's leading proprietary technology that contributes to its competitive advantage in the global marketplace.

#### Other directorships and offices

Non-Executive Director of Smart Parking Limited (appointed in February 2011)

#### Board Committee membership

Member of the Nomination Committee  
Member of the Remuneration Committee

**Dr Markus Kerber**  
Dipl.oec, Dr. Rer. Soc.



**Position:** Non-Executive Director  
**Age:** 52  
**Independent:** Yes  
**Years of service:** 4

#### **Term of office**

Markus Kerber was first appointed to the Board as a non-executive director in August 2004. In November 2009 he was required to retire due to his appointment as the Head of the Planning Department in the German Treasury and re-joined the Board in 2011. Markus was last re-elected to the Board in 2014.

#### **Skills and experience**

Markus is Managing Director of the Federation of German Industries. Markus has worked as an investment banker in London in the equity capital markets divisions of Deutsche Bank AG and S.G. Warburg & Co Limited. Prior to his appointment to the German Treasury, Markus was the Director General at the German Ministry of the Interior from 2006 until 2009. Between 1998 and 2005 he was Chief Financial Officer, Chief Operating Officer and Vice Chairman of the Supervisory Board of GFT Technologies AG.

#### **Other directorships and offices**

Member of the Supervisory Board of Commerzbank Aktiengesellschaft  
Member of the Board of Supervisory Directors of KfW

#### **Board committee membership**

Member of the Acquisitions Committee  
Member of the Remuneration Committee  
Member of the Nomination Committee

**Simon Jones**  
M.A. (Oxon), A.C.A.



**Position:** Non-Executive Director  
**Age:** 59  
**Independent:** Yes  
**Years of service:** 10

#### **Term of office**

Simon Jones was appointed to the Board in November 2005 as a non-executive director. Simon was last re-elected in 2014.

#### **Skills and experience**

Simon is a chartered accountant with extensive experience in investment advisory, valuations, mergers and acquisitions, public offerings, audit and venture capital. Simon was previously a Managing Director of N.M. Rothschild and Sons (Australia) and Head of Audit and Business Advisory (Australia & New Zealand) and Corporate Finance (Melbourne) at Arthur Andersen.

#### **Other directorships and offices**

Director of Canterbury Partners  
Chairman of Melbourne IT Limited (Director since 2003 and Chairman since 2009)  
Chairman of the Advisory Board of MAB Corporation Pty Ltd

#### **Board Committee membership**

Chairman of the Risk and Audit Committee  
Member of the Nomination Committee  
Acting Chairman of the Remuneration Committee  
Member of the Acquisitions Committee

**Arthur Leslie (Les) Owen**  
BSc, FIA, FPMI



**Position:** Non-Executive Director  
**Age:** 66  
**Independent:** Yes  
**Years of service:** 8

#### **Term of office**

Les Owen was appointed to the Board on 1 February 2007 as a non-executive director. Les was last re-elected in 2013.

#### **Skills and experience**

Les is a qualified actuary with over 35 years' experience in the financial services industry. He held Chief Executive Officer roles with AXA Asia Pacific Holdings and AXA Sun Life plc and was a member of the Global AXA Group Executive Board. He was also a member of the Federal Treasurer's Financial Sector Advisory Council.

#### **Other directorships and offices**

Non-Executive Chairman of the Jelf Group Plc  
Non-Executive Director of Discovery Holdings Limited (a South African-listed health and life insurer)  
Non-Executive Director of the Royal Mail Group Plc

#### **Board Committee membership**

Member of the Risk and Audit Committee  
Member of the Remuneration Committee  
Member of the Nomination Committee

# Corporate Governance Statement

## Tiffany Lee Fuller

B.Com, GAICD, ACA



**Position:** Non-Executive Director

**Age:** 45

**Independent:** Yes

**Years of service:** 1

### Term of office

Tiffany Fuller was appointed to the Board on 1 October 2014 as a non-executive director. Tiffany was elected by shareholders at the Company's AGM in November 2014.

### Skills and experience

Tiffany has held various corporate finance, financial advisory and management consulting positions with Arthur Andersen in Australia, the US and UK. She held roles in investment banking with Rothschild Australia and was also Director and Principal of the Rothschild e-Fund focusing on investments in early stage technology companies in Australia and New Zealand. Tiffany has also been appointed as a non-executive director for various public and private entities in both the for and not for profit sectors.

### Other directorships and offices

Non-Executive Director of Smart Parking Technologies (since 2011)

Non-Executive Director of Adslot Limited (2011 to 2014)

### Board Committee membership

Member of the Remuneration Committee

Member of the Risk and Audit Committee

Member of the Nomination Committee

## Joseph Mark Velli

BA, MBA



**Position:** Non-Executive Director

**Age:** 56

**Independent:** Yes

**Years of service:** 1

### Term of office

Joseph Velli was appointed to the Board on 1 October 2014 as a non-executive director. Joseph was elected by shareholders at the Company's AGM in November 2014.

### Skills and experience

Joseph is a retired financial services and technology executive with extensive securities servicing, M&A and public board experience. For most of his career, Joseph served as Senior Executive Vice President of The Bank of New York and as a member of the Bank's Senior Policy Committee. During his 22-year tenure with the Bank, Joseph's responsibilities included heading Global Issuer Services, Global Custody and related Investor Services, Global Liquidity Services, Pension and 401k Services, Consumer and Retail Banking, Correspondent Clearing and Securities Services. Most recently Joseph served as the Chairman and Chief Executive Officer of Convergenx Group.

### Other directorships and offices

Non-Executive Director of Paychex, Inc.

### Board Committee membership

Member of the Remuneration Committee

Member of the Nomination Committee

Nerolie Withnall resigned as a director of Computershare Limited on 10 June 2015.

## 4. BOARD INDEPENDENCE

The Board has considered each of the eight directors in office as at the date of this Annual Report and has determined that a majority (five out of eight) are independent, and were so throughout the reporting period. The three directors who are not considered to be independent are Chris Morris, Penny Maclagan and Stuart Irving due to their past or present involvement in the senior management of the Company and, in the case of Chris Morris, his substantial shareholding in the Company.

To determine the independence of a director, the Board has to consider a number of different factors, including those set out below:

- > whether the director acts (or has recently acted) in an executive capacity for the Company
- > the materiality of the director's shareholding in the Company (if any)
- > the existence of any other material relationship between the director and a member of the Group (for example, where the director is or has been an officer of a significant adviser, supplier or customer)
- > the ability of the director to exercise his or her judgement independently

The Board notes that the ASX Corporate Governance Council recommends that the Chair be an independent director. Chris Morris is Chairman of the Board, however, as previously mentioned, he is not an independent director. Having co-founded Computershare over 30 years ago, Chris Morris has an intimate knowledge of the Company and an in-depth understanding of the securities industry in which the Company operates. Through his executive leadership of the Company, he was intricately involved in Computershare's transformation into a successful global public company. The Board therefore believes it is important that Chris Morris remains actively



engaged with Computershare and that this requirement is appropriately met by Chris holding the position of Chairman. The Board is of the view that it is capable of making, and does make, independent decisions with regard to the best interests of the Company, even though the Chair is not independent. Simon Jones has been appointed Lead Independent Director and, as such, his duties are set out in the Company's Board Charter, as described in Section 2 above.

## 5. BOARD MEETINGS AND REPORTS

The Board met in person on four occasions in the reporting period. In-person meetings will generally take place over two full days and provide the Board with the opportunity to meet the senior management in the region where the meeting is held, so that the Board visits all of the Group management team in person over the year. At its meetings, the Board will also discuss the Group's results, prospects and short and long-term strategy, as well as other matters, including operational performance and legal, governance and compliance issues. The Board also convened one formal meeting by telephone during the reporting period.

Group management provides monthly reports to the Board detailing current financial information concerning the Group and each of the regions in which it operates. Management also provides additional information on matters of interest to the Board, including operational performance, major initiatives and the Group's risk profile, as appropriate.

The Committees of the Board also meet regularly to fulfil their duties, as discussed further below.

## 6. BOARD COMMITTEES

To assist in discharging its responsibilities, the Board has established four committees.

### The Risk and Audit Committee

The principal function of the Risk and Audit Committee is to provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, internal audit function and external audit requirements.

The Risk and Audit Committee is chaired by Non-Executive Director Simon Jones. The Committee currently has two other permanent non-executive members, Tiffany Fuller and Les Owen. Each member of this Committee is considered by the Board to be independent.

The Board regards these members as having the required financial expertise and an appropriate understanding of the markets in which the Group operates. The Chief Executive Officer, the Chief Financial Officer, the Group Head of Internal Audit, the Group Risk Officer and the Company's external auditors are invited to meetings of the Risk and Audit Committee at the Committee's discretion.

The Risk and Audit Committee is governed by a Board-approved charter. A copy of this Risk and Audit Committee Charter is available from <http://www.computershare.com/governance>.

### The Nomination Committee

The main functions of the Nomination Committee are to review the competence, expertise, performance, constitution and succession of the Board, as well as the performance of individual directors.

The Nomination Committee generally meets on each occasion that the Board meets in person. All current directors are members of the Nomination Committee and it is chaired by Chris Morris in his capacity as Chairman of the Board. Chris is not an independent director; however for the reasons set out above in Section 4 (Board independence) the Board believes it is also appropriate that he chairs the Nomination Committee.

The Nomination Committee's policy for the appointment of directors is to select candidates whose skills, expertise, qualifications, networks and knowledge of the markets in which Computershare operates (and other markets into which it may expand) complement those of existing Board members so that the Board as a whole has the requisite skills, diversity and experience to fulfil its duties.

The Nomination Committee is governed by a Board-approved charter. A copy of this Nomination Committee Charter is available from <http://www.computershare.com/governance>.

### The Remuneration Committee

The Remuneration Committee's primary function is to advise the Board on matters relating to the remuneration of the Group's key management personnel and specifically to consider, review and make recommendations to the Board about the following matters:

- > the Chief Executive Officer's remuneration policy recommendations
- > remuneration and contract terms for the Chief Executive Officer and the Group's key management personnel
- > terms and conditions of long-term incentive plans, short-term incentive plans, share rights plans, performance targets and bonus payments for the Chief Executive Officer and the Group's key management personnel
- > terms and conditions of any employee incentive plans
- > the recommendations of the Chief Executive Officer on offers to executives under any long-term incentive plan established by the Company from time to time
- > remuneration of non-executive directors within the limits approved by shareholders
- > content of the remuneration report to be included in the Company's Annual Report

## Corporate Governance Statement

The Committee is currently chaired in an acting capacity by Lead Independent Director Simon Jones following the resignation of Nerolie Withnall on 10 June 2015. The Committee comprises all directors, except the CEO Stuart Irving. Pursuant to its Charter, the Committee must always be comprised of a majority of independent directors.

The Remuneration Committee met on three occasions during the reporting period. The Committee has access to Group management and, where necessary, may consult independent experts to discharge its responsibilities effectively.

The Remuneration Committee is governed by a Board-approved charter. A copy of this Remuneration Committee Charter is available from <http://www.computershare.com/governance>.

### The Acquisitions Committee

To assist in fulfilling its corporate governance and oversight responsibilities with respect to prospective acquisitions and divestitures being considered by the Group, the Board established the Acquisitions Committee in 2006. The Committee receives reports from Group management on acquisition and divestiture opportunities and provides advice on matters such as the price, terms, structure and strategic management of such opportunities. The Committee is also authorised to approve transactions to be entered into by Group companies, provided that it does so within the scope of authority delegated to the Committee by the Board from time to time.

The Acquisitions Committee is chaired by Chris Morris and also comprises Simon Jones, Markus Kerber, Stuart Irving and Mark Davis (the Group's Chief Financial Officer).

For details of directors' attendance at Committee meetings, see the Directors' Report, which starts on page 31 of this Annual Report.

## 7. EQUITY PARTICIPATION BY NON-EXECUTIVE DIRECTORS

The Board encourages non-executive directors to own shares in the Company, however the Company has not awarded shares to non-executive directors. As at 30 June 2015, all non-executive directors held a relevant interest in shares in the Company.

## 8. REMUNERATION

For information relating to the Group's remuneration practices, and details relating to the directors' remuneration and that of the Group's key management personnel during the year ended 30 June 2015, see the Remuneration Report, which starts on page 34 of this Annual Report and is incorporated into this corporate governance statement by reference.

In addition to the disclosures contained in the Remuneration Report, it should be noted that the Board is keen to encourage equity holdings in the Company by employees with a view to aligning staff and shareholder interests. Many employees have participated (and continue to participate) in the various equity plans offered by the Company, and the directors believe that, historically, this has contributed significantly to the Group's success.

## 9. ANNUAL REVIEW OF BOARD AND GROUP MANAGEMENT PERFORMANCE

The Board's performance is regularly reviewed by the directors of the Company as a whole (acting as the Nomination Committee). These reviews are undertaken in an open manner each time the Board meets in person. There is a standing agenda item at each in-person Board meeting for directors to be given an opportunity to discuss any concerns they may have with the Board's and its Committees' performance as well as any steps that can be taken to maintain their effectiveness. The directors believe that this process works well for its size and composition. The process for evaluating the performance of individual directors is an informal one. The Chairman and Lead Independent Director consult on individual director contributions where necessary and all other Directors are able to raise concerns directly with the Chairman or the Lead Independent Director (as appropriate).

Separately, the Board annually reviews the Chief Executive Officer's performance while the Chief Executive Officer annually reviews the performance of the other members of Group management against their KPIs for the year. This review process results in each member of Group management receiving a proposed numerical rating which determines their short-term incentive outcomes for the year. The proposed rating given to each member of Group management is then reviewed by the Remuneration Committee.

The Risk and Audit Committee also undertakes a review of its performance from time to time. The review comprises completion of a questionnaire by the individual members of the Committee and a review by the Committee of the responses. A review took place within the current reporting period.

## 10. IDENTIFYING AND MANAGING BUSINESS RISKS

The Business Strategies and Prospects section of this Annual Report contains a summary of Computershare's approach to managing risk within the organisation.

In respect of the reporting period, the Board received a report from the Chief Executive Officer and the Chief Financial Officer that confirms, among other things, the following:

- > The 'Declaration to the Board of Directors of Computershare Limited', a copy of which is included in this Annual Report (see page 106) as required by section 295A of the *Corporations Act 2001*, is founded on a sound risk management and internal control system that is operating effectively in all material respects in relation to financial reporting risks.
- > The Group's material business risks have been managed effectively.

The Risk and Audit Committee also undertook a review of the Group's risk management framework during the reporting period and was satisfied that it remained sound.

## 11. DIVERSITY

### Diversity Policy

Computershare expects a lot from our employees and we rely on them to protect and grow our business. These employees trust Computershare to properly recognise their diverse talents. The Board and senior management are committed to honouring that trust.

Computershare's philosophy on diversity is a practical one. It simply makes good business sense to leverage the diverse skills and talents of our entire global workforce regardless of gender, age, race, origin, ethnicity, cultural background, disability, sexual orientation and religious beliefs.

Computershare's Board and management believe that we should hire, develop, reward, promote and retain our people strictly on the basis of their talent and commitment, and the results they achieve. We will never recruit or promote on anything other than the basis of merit, competence and potential.

Our approach to diversity is underpinned by practical objectives to ensure that all of our employees have an equal opportunity to demonstrate their talent, commitment and results. These are what we will measure ourselves against and they will be our primary external reporting metrics. The Board annually assesses the objectives and progress made.

### Measurable objectives

Listed below is the summary of the objectives that were established in 2011. There have been no material changes to the objectives or measurements since 2011.

It is important to note that the objectives outlined below do not exclude male employee participation in any relevant programmes.

Objectives	Measurement	FY2015 results
<b>1. Recognised opportunity culture</b>		
Our employees believe that Computershare has an equal opportunity culture where men and women are able to demonstrate equally their talent, commitment and results.	Via the annual global staff survey, the majority of employees agree that men and women at Computershare have equal opportunity to demonstrate their talents, commitment and results.	The annual global staff survey has been enhanced to delve further into diversity perspectives. The average rating on diversity related questions was above seven (out of ten) which is the second consecutive year of improvement in this measure.
<b>2. Development of high potential women</b>		
As part of the company's succession planning process, high potential women are identified and developed for career progression.	All high potential women are identified and are actively developed for career progression. Their development is reviewed by the CEO annually.	Regional heads reviewed the progress of identified high potential women as part of the annual employee review process.
<b>3. Mentoring and networking women</b>		
Where identified as valuable, mentoring and/or networking programmes are implemented to develop women in our business.	Programme implementation and results are reviewed by the CEO annually.	Mentoring and/or networking programmes are available globally to all employees. We have developed individual mentoring on a one-on-one basis at a departmental level.
<b>4. Improve support for pregnancy and maternity leave</b>		
Programmes are implemented that provide better support for pregnant women in the workplace; and for women commencing, on and returning from, maternity leave.	Over 80% of women return to the workforce from maternity leave. An annual report to the CEO monitors progress.	Currently operating at above target rates in each region. Globally Computershare has a return rate in excess of 85%.
<b>5. Flexible working arrangements implemented</b>		
Flexible working initiatives are supported by management and where appropriate made available to employees to achieve improved business outcomes and support work/life balance.	Flexible working arrangements are defined in the appropriate workplace policies and/or are actively used as an engagement tool by management. Management feedback on usage and effectiveness is provided to the CEO annually.	Flexible working arrangements are available to our employees globally. Each request for a flexible arrangement is assessed by Human Resources and the business unit involved.

# Corporate Governance Statement

## Gender diversity statistics

Role category	Total	Male	Female	Male %	Female %
Board	8	6	2	75%	25%
Direct Report	14	12	2	86%	14%
Company Executive	114	84	30	74%	26%
Senior Manager	495	320	175	65%	35%
Manager	1,934	1,007	927	52%	48%
Specialist	1,923	809	1,114	42%	58%
Non-Manager	6,925	3,075	3,850	44%	56%
<b>Totals</b>	<b>11,413</b>	<b>5,313</b>	<b>6,100</b>	<b>46.5%</b>	<b>53.5%</b>

Data valid as at 30 June 2015. Joint ventures where Computershare is not the active manager (for example, Japan and India) are excluded.

## 12. WORKPLACE GENDER EQUALITY REPORT

In accordance with the requirements of the Workplace Gender Equality Act 2012, on 26 May 2015 Computershare Australia lodged its annual compliance report with the Workplace Gender Equality Agency. A copy of this report is available from <http://www.computershare.com/governance>.

Any comments regarding this report can be submitted via email to the following address [wgea.comments@computershare.com.au](mailto:wgea.comments@computershare.com.au).

## 13. SECURITIES TRADING POLICY

The Company has a Securities Trading Policy in place which sets out the restrictions that apply to the Group's directors, officers and employees trading in Computershare securities.

The policy explains the insider trading laws as they relate to trading in Computershare securities and the securities of Computershare's clients. It also sets out the penalties that apply to insider trading offences under the *Corporations Act 2001* and makes clear that Computershare adopts a zero tolerance approach to breaches of insider trading laws.

The policy imposes additional restrictions on dealings in Computershare securities by Computershare directors and certain specified executives (designated persons). These designated persons may deal in Computershare securities during the four week period after the Company releases its half year and full year financial results, and after the date on which its Annual General Meeting is held, subject always to the laws on insider trading.

In addition, these designated persons may only deal in Computershare securities outside those specified four week trading windows with an express prior clearance by a nominated director. During certain prohibited periods, being the period between 15 December and the Company's release of its half year results and the period between 15 June and the Company's release of its full year results, and such other periods as may be determined by the Board from time to time, clearance to deal can only be given in exceptional circumstances.

Under the policy, designated persons are also prohibited from entering into an arrangement pursuant to which they seek to hedge the economic risk associated with an unvested incentive award made to them by Computershare.

The list of designated persons is set out in Schedule 1 of the Securities Trading Policy. It is reviewed and updated as appropriate, having regard to any changes in the structure of or the creation of new roles within Group management. An up-to-date copy of the Board-approved Securities Trading Policy is available from <http://www.computershare.com/governance>.

## 14. CORPORATE REPORTING

The Chief Executive Officer and the Chief Financial Officer have made a Declaration to the Board of Directors in respect of the year ended 30 June 2015, as detailed on page 106 of this Annual Report. The Chief Executive Officer and the Chief Financial Officer also provided an equivalent statement to the Directors in respect of the Company's half year report for the period ended 31 December 2014.

## 15. CONFLICT OF INTEREST AND INDEPENDENT ADVICE

If a director has an actual or potential conflict of interest in a matter under consideration by the Board or a Committee of the Board, that director must promptly disclose that conflict of interest and abstain from deliberations on the matter. In that circumstance, the director is not permitted to exercise any influence over other Board members or Committee members on that issue, nor receive relevant Board or Committee papers.

The Company permits any director or Committee of the Board to obtain external advice about transactions or matters of concern at the Company's cost. Directors seeking independent advice must obtain the approval of the Chairman, who is required to act reasonably in deciding whether the request is appropriate.

## 16. ETHICAL STANDARDS

Computershare recognises the need for directors and employees to perform to the highest standards of behaviour and business ethics. The Board has adopted a Code of Ethics that sets out the principles and standards with which all officers and employees are expected to comply as they perform their respective functions. The Code recognises the legal and other obligations that the Company has to legitimate stakeholders, and requires that directors, officers and employees maintain the highest standards of propriety and act in accordance with the law.

A copy of the Group's Board-approved Code of Ethics is available from the corporate governance section of <http://www.computershare.com/governance>.

## 17. SHAREHOLDER COMMUNICATIONS AND INVESTOR RELATIONS

Computershare has an investor relations program in place with the aim of facilitating effective communication between Computershare and its investors. A key feature of this program is to ensure that shareholders are notified of, or are otherwise able to access information necessary to assess Computershare's performance. Information is communicated to shareholders through the following means:

- > The Annual Report, which is distributed to all shareholders who elect to receive it. An overview of the previous financial year is also included in the Notice of AGM that all shareholders receive.
- > The AGM and any other shareholder meetings called from time to time to obtain shareholder approval as required.
- > The Company's website, which contains information regarding the Company and the Group and its corporate governance framework. The Investor Relations section of the website also includes information released to the ASX, a copy of investor and analyst briefing documentation, press releases and webcasts.
- > By email to those shareholders who have supplied their email address for the purpose of receiving communications from the Company electronically. Computershare actively encourages shareholders to provide an email address to facilitate more timely and effective communication with them and runs campaigns from time to time to encourage greater email adoption.

Computershare also encourages shareholders to participate in the Company's AGM. Shareholders who are unable to attend and vote in person at the meeting are encouraged to vote electronically via Computershare's service known as InvestorVote, where they can view an electronic version of the voting form and accompanying materials and submit their votes. Computershare also encourages shareholders who are unable to attend the AGM to communicate any issues or questions by writing to the Company.

## 18. COMMITMENT TO AN INFORMED MARKET RELATING TO COMPUTERSHARE SECURITIES

The Board has a Market Disclosure Policy to ensure the fair and timely disclosure of price-sensitive information to the investment community as required by applicable law.

In order to effectively manage its continuous disclosure obligations, the Chief Executive Officer has established a Disclosure Committee which is responsible for the following matters:

- > considering what information needs to be released to the market by Computershare, although routine administrative announcements may be made by the Company Secretary without consulting the Disclosure Committee
- > ensuring announcements relating to significant matters are referred to the Board for consideration and approval, namely announcements relating to the Company's half and full year financial reports, financial projections and future financial performance as well as changes to the Group's policy or strategy
- > approving the disclosure of information to the market for matters not referred to the Board
- > implementing adequate systems for ensuring the timely disclosure of material information to the market, including where such information needs to be released urgently

The Disclosure Committee consists of the Chief Executive Officer, the Chief Financial Officer, the Head of Investor Relations and the Company Secretary. Where the urgency of an issue, which under the policy is to be referred to the Board, prevents its consideration by the full Board, an announcement relating to that issue may be approved for release to the market by all available directors in conjunction with the Disclosure Committee.

Further, in circumstances where it is considered appropriate to request a trading halt (for example, where Computershare is required to disclose information to the market, but for whatever reason is unable to do so promptly and without delay) the Chief Executive Officer, or if the Chief Executive Officer is unavailable, the Chairman, the Lead Independent Director or the Chief Financial Officer, is authorised to request a trading halt on behalf of the Company. The full Board is to be consulted as far as is practicable on any request for a trading halt.

A copy of the Board-approved Market Disclosure Policy is available from the corporate governance section of <http://www.computershare.com/governance>.

# Corporate Governance Statement

## 19. EXTERNAL AUDITORS

The Company's policy is to appoint external auditors who demonstrate professional ability and independence. The auditor's performance is reviewed annually.

PricewaterhouseCoopers were appointed as the external auditors in May 2002.

PricewaterhouseCoopers normally rotates audit engagement partners on listed companies every five years. It is also PricewaterhouseCoopers' policy to provide an annual declaration of independence, a copy of which can be found on page 49 of this Annual Report. The Risk and Audit Committee approves any permitted non-external audit task to be performed by PricewaterhouseCoopers where the total fee for the non-audit services may exceed 10% of the annual external audit engagement fee.

The external auditor is required to attend the Company's Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation of the content of the audit report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the Directors' Report (see page 47 of this Annual Report).

## 20. INTERNAL AUDITORS

Computershare has a dedicated Group Internal Audit function. The function is led by the Group Head of Internal Audit who has a functional reporting line to the Chairman of the Risk and Audit Committee. Group Internal Audit is authorised to audit all areas of the Computershare group without the need for prior approval. In carrying out its responsibilities, it has full and unrestricted access to all records, property, functions, IT systems and staff in the group.

Each financial year, the function develops an annual audit plan which is approved by the Risk and Audit Committee. The function's key responsibilities are to review and appraise the adequacy, design and effectiveness of the group's system of internal controls, advise on process improvements, evaluate and improve the effectiveness of risk management, control and governance processes and to identify control gaps.

On completion of audit assignments, Internal Audit will issue written reports which are distributed to management and communicated to the Risk and Audit Committee. Where the report identifies specific findings and recommendations, the report will include an action plan from management to implement appropriate corrective action. All internal audits are conducted in accordance with the Institute of Internal Auditor's Standards for the Professional Practice of Internal Auditing.

## 21. WHISTLEBLOWING

The Board has approved a Whistleblower Policy that specifically outlines procedures for dealing with allegations of improper conduct made by directors, officers or employees of the Company or parties external to Computershare. Concerns can be raised anonymously in a number of ways, including through the Company's online whistleblower reporting system, by telephone or by mail. Any reported concerns are assessed and handled by regional Whistleblower officers.

All Computershare employees have received training about the Company's Whistleblower Policy, including how to detect and report improper conduct. A copy of the Whistleblower Policy is available from <http://www.computershare.com/whistleblowing>.

## 22. CORPORATE AND SOCIAL RESPONSIBILITY

For details relating to the Company's corporate and social responsibility initiatives, see page 16 to 17 of this Annual Report.

## 23. HEALTH AND SAFETY

Computershare aims to provide and maintain a safe and healthy work environment. Computershare acts to meet this commitment by implementing work practices and procedures throughout the Group that comply with the relevant regulations governing workplaces in each country in which the Group operates. Employees are expected to take all practical measures to ensure a safe and healthy working environment, in keeping with their defined responsibilities and applicable laws.

## 24. COMPANY SECRETARY

The Company Secretary during the reporting period was Dominic Horsley. Under Computershare's Constitution, the appointment and removal of the Company Secretary is a matter for the Board.

Among other matters, the Company Secretary advises the Board on governance procedures and supports their effectiveness by monitoring Board policy and procedures, coordinating the completion and dispatch of Board meeting agendas and papers and assisting with the induction of new Directors. The Company Secretary is accountable to the Board, through the Chairman, for these responsibilities.

Dominic Horsley joined the Company in June 2006, having previously practised law at one of Asia Pacific's leading law firms and worked as a Corporate Counsel with a major listed Australian software and services supplier. Dominic completed a Bachelor of Arts (Hons) in Economics at the University of Cambridge and completed his legal studies at the College of Law in London. Dominic is also the Chief Legal Counsel for the Group's Asia Pacific operations and is a Fellow of the Governance Institute of Australia.

All directors have access to the advice and services of the Company Secretary.



# Directors' Report

## DIRECTORS' REPORT

The Board of Directors of Computershare Limited has pleasure in submitting its report in respect of the financial year ended 30 June 2015.

## DIRECTORS

The names of the directors of the Company in office during the whole year and up to the date of this report, unless otherwise indicated, are:

### Non-executive

Christopher John Morris (Chairman)  
Tiffany Lee Fuller (appointed effective 1 October 2014)  
Simon David Jones  
Markus Erhard Kerber  
Penelope Jane Maclagan  
Arthur Leslie Owen  
Joseph Mark Velli (appointed effective 1 October 2014)  
Nerolie Phyllis Withnall (resigned effective 10 June 2015)

### Executive

Stuart James Irving (President and Chief Executive Officer)

## PRINCIPAL ACTIVITIES

The principal activities of the Group are outlined in the Group and Regional Operating Review set out on pages 6 to 7 and form part of this report.

## CONSOLIDATED PROFIT

The profit of the consolidated entity for the financial year was \$157.3 million after income tax. Net profit attributable to members of the parent entity was \$153.6 million, which represents a decrease of 38.9% on the 2014 result of \$251.4 million. Profit of the consolidated entity for the financial year after management adjustment items was \$332.7 million after income tax and non-controlling interests. This represents a decrease of 0.7% on the 2014 result of \$335.0 million.

Net profit after management adjustment items is determined as follows:

	2015 \$000	2014 \$000
Net profit attributable to members of the parent entity	153,576	251,401
Exclusion of management adjustment items (net of tax):		
<b>Amortisation</b>		
Intangible assets amortisation	58,520	62,204
<b>Acquisitions and disposals</b>		
Net gain on disposals	(7,631)	(817)
Acquisition and disposal accounting adjustments	(6,583)	(2,301)
Acquisition and disposal related restructuring costs	6,014	796
Asset write-downs	5,241	26,295
Acquisition and disposal related expenses	3,552	821
Gain on bargain purchase	(670)	-
Business closure – Australian Funds Services	-	(2,605)
<b>Other</b>		
Voucher Services impairment	109,536	-
Put option liability re-measurement	7,749	2,302
Marked to market adjustments – derivatives	2,204	(743)
Major restructuring costs	1,226	-
Foreign exchange gain	-	(2,316)
Net profit after management adjustment items	332,734	335,037

# Directors' Report

## Management adjustment items

Management results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance. Description of management adjustment items can be found in note 3 of the financial statements.

The non-IFRS financial information contained within this Directors' report has not been audited in accordance with the Australian Auditing Standards.

## DIVIDENDS

The following dividends of the consolidated entity have been paid or declared since the end of the preceding financial year:

### Ordinary shares

A final dividend in respect of the year ended 30 June 2014 was declared on 13 August 2014 and paid on 16 September 2014. This was an ordinary dividend of AUD 15 cents per share franked to 20% amounting to AUD 83.4 million (\$70.0 million).

An interim dividend was declared on 11 February 2015 and paid on 18 March 2015. This was an ordinary dividend of AUD 15 cents per share franked to 20% amounting to AUD 83.4 million (\$70.0 million).

A final dividend in respect of the year ended 30 June 2015 was declared by the directors of the Company on 12 August 2015 and paid on 15 September 2015. This was an ordinary dividend of AUD 16 cents per share, franked to 25%. As the dividend was not declared until 12 August 2015 a provision was not recognised as at 30 June 2015.

## REVIEW OF OPERATIONS

The review of operations is outlined in the Group and Regional Operating Review set out on pages 6 to 7 and forms part of this report.

## SIGNIFICANT EVENTS AND SIGNIFICANT CHANGES IN ACTIVITIES

A discussion of significant events and significant changes in activities is included in the Group and Regional Operating Review set out on pages 6 to 7 and forms part of this report.

In the opinion of the directors, there were no other significant changes in the affairs of the consolidated entity during the financial year under review that are not otherwise disclosed in this report or the consolidated accounts.

## SIGNIFICANT EVENTS AFTER YEAR END

On 18 August 2015, Computershare announced an on-market buy-back of shares with an aggregate value of up to AUD 140.0 million for capital management purposes. The buy-back commenced on 1 September 2015 and will continue until 31 August 2016 or earlier if completed before that date.

On 28 August 2015, Computershare announced the acquisition of Gilardi & Co. LLC (Gilardi), a class actions claims administrator based in San Rafael, California, USA for maximum consideration of \$41 million should earnings thresholds be met.

As per note 37 of the financial statements, no other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the consolidated financial statements that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

## LIKELY DEVELOPMENTS AND FUTURE RESULTS

A discussion of business strategies and prospects is set out on pages 18 to 19 and forms part of this report.

## ENVIRONMENTAL REGULATIONS

The Computershare Group is not subject to significant environmental regulation.

## INFORMATION ON DIRECTORS

The qualifications, experience and responsibilities of directors together with details of all directorships of other listed companies held by a director in the three years to 30 June 2015 and any contracts to which the director is a party to under which they are entitled to a benefit are outlined in the Corporate Governance Statement and form part of this report.

## Directors' interests

At the date of this report, the direct and indirect interests of the directors in the securities of the Company are:

Name	Number of ordinary shares	Number of performance rights
SJ Irving	17,837	357,084
TL Fuller	2,000	-
SD Jones	17,000	-
ME Kerber	40,000	-
PJ Maclagan	12,657,025	-
CJ Morris	37,631,000	-
AL Owen	12,910	-
JM Velli	10,000	-

## Meetings of directors

The number of meetings of the Board of Directors (and of Board Committees) and the number of meetings attended by each of the directors during the financial year were:

	Directors' Meetings		Risk and Audit Committee Meetings		Nomination Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B	A	B
SJ Irving	5	5	-	-	4	4	-	-
TL Fuller <sup>1</sup>	4	4	6	6	3	3	2	2
SD Jones	5	5	8	8	4	4	3	3
ME Kerber	5	5	-	-	4	4	2	3
PJ Maclagan	5	5	-	-	4	4	3	3
CJ Morris	5	5	-	-	4	4	3	3
AL Owen	4	5	8	8	3	4	2	3
JM Velli <sup>1</sup>	4	4	-	-	3	3	2	2
NP Withnall <sup>2</sup>	3	4	2	3	1	3	1	2

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the financial year.

<sup>1</sup> TL Fuller and JM Velli were appointed effective 1 October 2014.

<sup>2</sup> NP Withnall stood down from the Risk and Audit Committee effective 29 January 2015 and resigned as a director effective 10 June 2015.

The Board also has an Acquisitions Committee comprising SD Jones, ME Kerber, CJ Morris, SJ Irving and MB Davis (Chief Financial Officer). The Committee receives a monthly report and meets on an informal basis as necessary. Accordingly, it is not included in the above table.

## INFORMATION ON COMPANY SECRETARY

The qualifications, experience and responsibilities of the Company Secretary are outlined in the Corporate Governance Statement and form part of this report.

## INDEMNIFICATION OF OFFICERS

During the period, the Group paid an insurance premium to insure directors and executive officers of the Group and its controlled entities against certain liabilities. Disclosure of the amount of insurance premium payable and a summary of the nature of liabilities covered by the insurance contract is prohibited by the insurance policy.

## REMUNERATION REPORT

This report covers:

- A. Computershare's approach to remuneration
- B. The structure of remuneration
- C. Details of remuneration and service contracts
- D. Proportions of fixed and performance related remuneration
- E. Other information

### A. COMPUTERSHARE'S APPROACH TO REMUNERATION

The Board, on recommendations from the Remuneration Committee, sets and reviews remuneration arrangements across the Group, including non-executive directors, the CEO and other senior executives. The Board's goal is to ensure that Computershare's remuneration policies are appropriate for its size and the nature of the business, and that the interests of directors, employees and shareholders are appropriately balanced.

Computershare does not rely significantly on market comparisons in striking levels of remuneration. It has been difficult to find relevant comparison points for many of the key roles in the Group. For some other roles, especially in support services, it is easier to find relevant comparators and market data is taken into account in setting remuneration for these roles.

The Board believes that, in general, cash remuneration for senior employees is modest when compared to ASX listed companies with a similar market capitalisation to Computershare. While equity based remuneration forms an important part of total remuneration for senior employees, it also has been relatively modest at time of grant. The bulk of Computershare's 15,836 employees are also able to participate in the Company's employee share program. Today, over 35% of our employees hold equity through this program.

The stability of Computershare's workforce, and our relatively modest overall levels of remuneration when compared with similar sized companies, suggest that our approach has worked well.

### B. THE STRUCTURE OF REMUNERATION

#### Non-executive directors

Computershare's total non-executive directors' fee pool has a limit of AUD 2.0 million. This limit was approved by shareholders in November 2014.

CJ Morris receives a fixed fee of AUD 275,000 as Chairman and SD Jones receives a fixed fee of AUD 250,000 (which takes into account his role as Chairman of the Risk and Audit Committee). All other non-executive directors receive a base fee of AUD 150,000. The non-Chair members of the Risk and Audit Committee (TL Fuller and AL Owen) receive an additional AUD 25,000 per annum as members on that committee. The Chairman of the Remuneration Committee also receives an additional AUD 25,000 for performing those duties. These fees are inclusive of statutory superannuation where applicable.

Non-executive director fees were increased to the above fees in November 2014, with the fees representing an aggregate increase of approximately 6%. This was the first increase in non-executive director fees (other than to reflect changes in superannuation rates) since 2012.

If any director wishes to receive their director fees in a different currency to AUD, then they can elect to do so and an exchange rate will be struck at the start of each financial year for the fees payable in that year.

No bonuses, either short or long-term, are paid to non-executive directors. They are not provided with retirement benefits other than statutory superannuation entitlements (where applicable). They do not receive shares or options from Computershare.

#### CEO and other senior executives

Remuneration for the CEO and other key senior executives comprises three main components, being fixed base salary (which is not at risk), a variable short-term incentive (STI) which is calculated by reference to current year's performance and a variable long-term incentive (LTI) which comprises awards of performance rights over shares in Computershare.

#### Short-term incentives

STI incentives for senior executives at Computershare comprise a cash bonus (CSTI) and an equity grant of Computershare shares made on a deferred vesting basis (DSTI).

Executives are provided with an 'on target package guide' which is an amount equal to the value of the base salary and their STI assuming 'on target' performance. If an executive achieves 'on target' performance their total STI award would be equal to approximately 43% of their base salary. The maximum entitlement that an executive could receive as an STI would be 75% of their base salary.

The following table explains how each component of the STI (being the CSTI and the DSTI) are determined and the limits that apply to each component.

Component	% of on target package guide	Minimum entitlement	Maximum entitlement	Measurement	Comment
CSTI (short-term cash bonus)	15% (equal to 21.4% of base salary)	Nil	22.5% of the on target package guide (equal to 32% of base salary)	<p>70% of CSTI is calculated by reference to performance against the budgeted management EBITDA of the business unit(s) or region(s) for which the relevant executive is responsible.</p> <p>On target performance for an executive is meeting the relevant budgeted management EBITDA target for that executive and the maximum entitlement is reached if the executive achieves 120% of their budgeted management EBITDA target. No CSTI is payable based on financial performance if the executive achieves less than 80% of their target.</p> <p>The remaining 30% of CSTI is calculated based on personal objectives tailored to the executive's responsibilities and role. Matters typically covered include cost control, business expansion, risk management and service levels.</p>	<p>Calculated and paid annually after the release of the annual results.</p> <p>The CSTI strongly aligns the executive's CSTI with the performance of the business unit(s) or region(s) they manage.</p>
DSTI (short-term equity on deferred basis)	15% (equal to 21.4% of base salary)	Nil	30% of the on target package guide (equal to 43% of base salary)	<p>50% of DSTI is calculated by reference to the Group's management earnings per share (EPS) growth. On target performance is management EPS growth over the financial year of between 7.5% and the maximum entitlement is reached if management EPS growth over the financial year exceeds 15%. No DSTI is payable based on management EPS growth if EPS growth over the year is 0% or less.</p> <p>The remaining 50% of DSTI is calculated based on strategic, cultural and organisational measures. Matters typically covered include financial performance, non-financial performance, leadership, replaceability and character.</p>	<p>Calculated annually after the release of the annual results. Grants are not generally made until after the release of the annual report.</p> <p>The DSTI aligns an executive's remuneration with the overall Group performance, and provides an incentive for executives to work to maximise overall Group performance as well as the performance of the particular business unit(s) they manage.</p> <p><b>Deferred vesting:</b> DSTI grants are unable to be sold for two years after the date of grant and are also subject to forfeiture if an executive resigns or is terminated for cause in this period.</p> <p>DSTI grants are designed as an incentive to encourage long-term, sustainable performance.</p>

Note: The management adjustment items applied to determine management EBITDA (for CSTI) and Group management EPS (for DSTI) are set out in note 3 of the financial statements. The Board retains the discretion to review the management adjustment items before the calculation of STI awards to executives. No DSTI was awarded to executives for growth in management EPS in FY15 as FY15 EPS was 0.7% lower than management EPS in FY14.

The STI awards payable to the CEO are structured in the same way as other senior executives, except that the CEO receives his DSTI entitlement in cash rather than shares. This is because as an executive director he is ineligible to participate in Computershare's general equity based plans. However, the CEO is eligible, with shareholder approval where required, to participate in the Group's long-term incentive plans.

### STI outcomes in the 2015 financial year

The table below shows the STI paid or payable for each Computershare executive who is identified as a key management personnel for entitlements referable to performance in the financial year ended 30 June 2015. The short-term cash bonus (CSTI) is paid to executives following the release of the Group's full year financial results to the market. Shares awarded on a deferred basis under the DSTI will generally be granted in October. The table sets out the actual amount awarded as STI (overall) as well as how the CSTI, DSTI and overall STI relate to the maximum entitlement for each executive.

## Directors' Report

Executive	CSTI awarded as percentage of maximum	DSTI awarded as percentage of maximum	STI (overall) awarded (USD)	STI (overall) as percentage of maximum
SJ Irving	80.2%	42.5%	335,708	58.6%
SA Cameron	55.6%	25.0%	100,759	38.1%
PA Conn	70.2%	30.0%	189,969	47.2%
MB Davis	78.5%	32.5%	264,414	52.2%
SHE Herfurth	90.0%	27.5%	145,094	54.3%
ML McDougall	70.2%	30.0%	155,929	47.2%
SR Rothbloom	54.8%	20.0%	311,568	34.9%
N Sarkar	78.7%	35.0%	222,965	53.7%
SS Swartz	73.9%	30.0%	129,603	48.8%
JLW Wong	91.7%	22.5%	248,379	52.1%

### Long-term incentives

In addition to base salary and STI awards, certain senior executives may also receive long-term incentive awards which comprise grants of performance rights (also known as zero exercise price options) over Computershare stock. The executives who receive long-term incentive awards will generally comprise the executives who are identified as key management personnel in this report as well as a small number of other senior executives who are identified as being particularly important to the longer term future of Computershare.

In 2009, Computershare's shareholders approved a Deferred Long-Term Incentive Plan known as the DLI plan under which grants of performance rights have been made. For performance rights issued under the DLI plan, 50% of them are subject to performance hurdles based on Computershare meeting Group management EPS growth targets, while the remaining 50% are not subject to performance hurdles. However, they will not vest unless the relevant executive remains with Computershare for a five year retention period. Awards under this DLI plan were intended to remunerate these key executives in relation to Computershare's long-term performance and also to act as a retention incentive for Computershare's senior executive team and accordingly provide a degree of protection for the competitive advantage that results from the extensive industry specific knowledge within that team.

As at the date of this report, there are 2.0 million performance rights outstanding (being performance rights granted to executives, yet to vest or lapse) that have been made under the DLI plan. These include 100,000 performance rights which were granted in 2010, of which it is expected that 50,000 will vest on the date of this report. In addition, awards of 2.7 million performance rights granted in November 2009 were subject to vesting in September 2014. The 50% of awards subject to a retention period vested in full for executives who remained employed on the vesting date. All of the 50% of awards subject to the management EPS hurdle lapsed.

There were further awards made under the DLI plan in 2011 and 2012 that are due to vest in September 2016 and 2017 respectively. Accordingly, details of the terms of the current DLI plan will continue to be provided in the Group's remuneration report until those awards have vested or lapsed in accordance with their terms.

In 2014, the Company established a new long-term incentive plan to replace the DLI plan. Details of this new long-term incentive plan, which is known as Computershare's LTI plan, are set out further below.

### Key features of the LTI plan

Set out below is a summary of the principal terms of the LTI plan.

#### Eligibility

Participants in the LTI plan comprise the Group's CEO and CFO and a limited pool of the most senior executives who are important to the Company's future.



## Frequency and value of grants

Awards under the LTI plan will typically be made annually. The first award was made in November 2014 following the approval of shareholders to a grant of performance rights under the LTI plan to the Group CEO at the Company's AGM.

The value of an award made to an eligible executive under the LTI plan is calculated as a percentage of the executive's base salary plus 'on target' STI award (being both the cash (CSTI) and deferred shares (DSTI) components). For awards made in November 2014, the Group CEO and CFO received an LTI award equal to 100% of their base salary plus 'on target' STI award. For other eligible executives, the value of their LTI award was in a range of 30% to 60% of their base salary plus 'on target' STI award.

As an illustration, this means that the mix between fixed, short-term variable and long-term variable remuneration for the Group CEO in FY15 was (based on 'on target' STI performance):

	Fixed remuneration	Variable remuneration	LTI
	Base Salary	STI	
CEO	35%	15%	50%

The actual number of performance rights that an eligible executive receives is calculated by dividing that executive's LTI award entitlement by the 'face value' of Computershare's share price. For a grant of performance rights in a given financial year, 'face value' is the volume weighted average share price over the five trading days after the full year results announcement for the prior financial year. For awards made in November 2014, the face value of Computershare's share price for the purpose of calculating LTI award entitlements was AUD 12.14.

## EPS growth performance hurdle

Under the LTI plan, 50% of each award is subject to a management EPS growth hurdle that is tested once at the end of a three year performance period and will vest in accordance with the table below:

Compound annual growth in management adjusted EPS over the performance period	Performance rights subject to EPS hurdle that vest (%)	
Maximum % or above	15% or greater	100%
Between threshold % and maximum %	Between 5% and 15%	Progressive pro rata vesting between 50% to 100% (i.e. on a straight line basis)
Threshold %	5%	50%
Less than the threshold %	Less than 5%	0%

The Board believes that the EPS growth hurdle under the LTI plan provides an appropriate incentive to its management team to achieve sustainable growth outcomes for the Computershare group over the longer term. The Board will review the management EPS performance hurdles from time to time to ensure that this remains the case.

## Total shareholder return performance hurdle

The remaining 50% of each award under the LTI plan is subject to a performance measure based on Total Shareholder Return or 'TSR'. For these purposes, TSR means the change in shareholder value over the performance period by measuring movement in share price plus dividends (assuming reinvestment).

The performance measure compares the TSR of Computershare's stock against the TSR of the companies within the ASX 100 index at the start of the performance period on the following basis:

Relative TSR ranking against peer group	Performance rights subject to TSR hurdle that vest (%)
At or above the 75 <sup>th</sup> percentile	100%
Between the 50 <sup>th</sup> to 75 <sup>th</sup> percentile	Progressive pro rata vesting between 50% to 100% (i.e. on a straight line basis)
Equal to the 50 <sup>th</sup> percentile	50%
Below the 50 <sup>th</sup> percentile	0%

The Board has chosen to compare the TSR of Computershare against the ASX 100 index as there is not a narrow comparator group of companies that are listed on exchanges globally that Computershare can readily compare itself against. By having a performance measure that compares Computershare TSR performance against the TSR of companies in a broad index (the ASX 100), the Board believes that this will further align the remuneration outcomes for its senior executives to the investment performance of its shareholders.

As at the date of this report, there are 0.6 million performance rights outstanding that have been granted under the LTI plan during FY15 and which are due to vest in September 2017 (subject to performance against hurdles). LTI awards were made to 13 executives.

## Other plan features

Other features of the LTI plan include Board discretion to determine award outcomes for executives in certain circumstances such as cessation of employment and a change of control and also to cash settle awards on vesting if local regulations or practices make it appropriate to do so. The LTI plan also includes a clawback mechanism that may be triggered in the event of fraud, dishonesty or material misstatement of financial statements.

## Directors' Report

### Other remuneration

Like all our employees, key management personnel (except directors) can participate in the Group's general employee share plans. An overview of the Group's employee option and share plans is disclosed in note 40 of the financial statements.

Computershare also pays cash bonuses and makes STI awards (but not LTI grants) to a further group of senior executives in accordance with the same STI structure as outlined above. Computershare will also generally pay discretionary cash bonuses and make allocations of shares (subject to deferred vesting periods) to an additional broader pool of high performing employees who are not participants in the structured STI award program. The Group also, on occasions, allocates shares (subject to deferred vesting periods) outside the structured annual cycle, for instance as sign-on incentives, as part of specific project incentives or in recognition of exceptional performance.

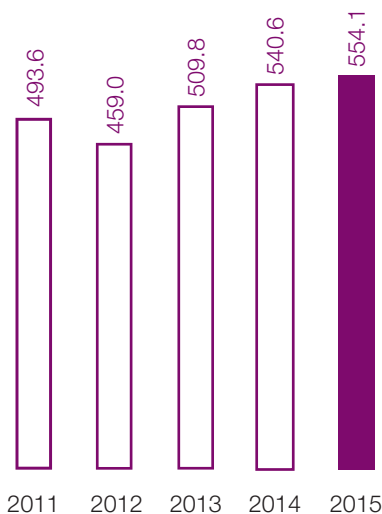
### Relationship between remuneration and Group's performance

Over the past five financial years, the Group's management EBITDA (note 4 of the financial statements) grew by a compound annual average rate of 2%. During this period statutory EPS has decreased by a compound annual average rate of 12.2% and management EPS has grown by a compound annual average rate of 1%. Dividend payments have grown by a compound annual average rate of 2%. Over the past five financial years, key management personnel remuneration has decreased by an annual compound average rate of 9% and executive director's remuneration has decreased by an annual compound average rate of 18%. A year on year analysis of the above metrics together with the compound five year average comparative is set out in the following table.

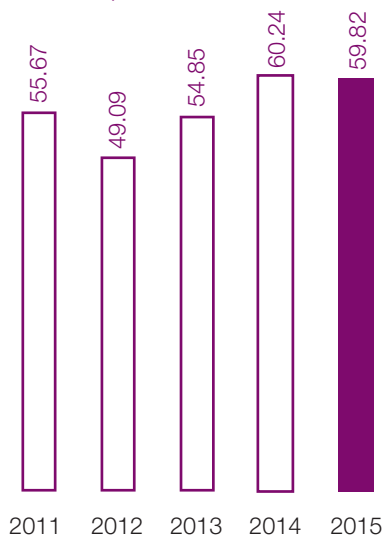
	Growth over previous financial period	5 year compound average growth 2010 – 2015
Management EBITDA	3%	2%
Statutory EPS	(39%)	(12%)
Management EPS	(1%)	1%
Dividend*	7%	2%
Key management personnel remuneration (average per key management personnel)	(28%)	(9%)
Executive director's remuneration	(30%)	(18%)

\* Percentages based on amounts in AUD

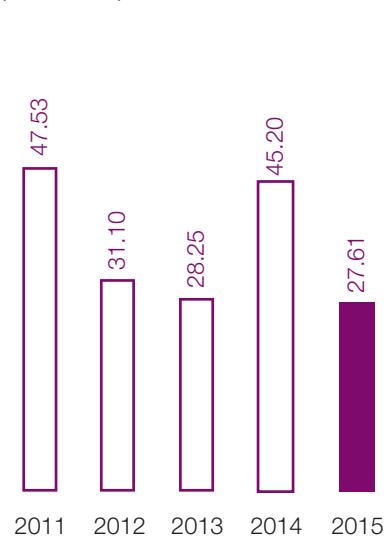
Management adjusted EBITDA  
(USD million)



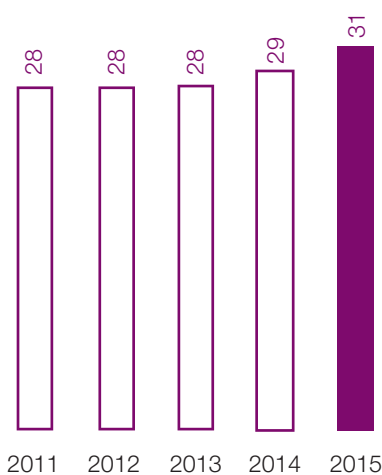
Management EPS  
(USD cents)



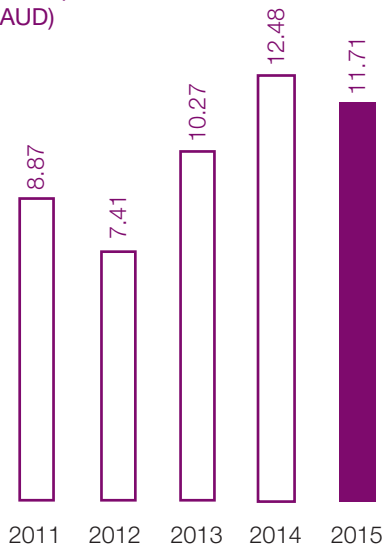
Statutory EPS  
(USD cents)



Dividend  
(AUD cents)



Share price  
(AUD)



## C. DETAILS OF REMUNERATION AND SERVICE CONTRACTS

### Directors

The directors of Computershare Limited who held the position during the current financial year are listed below. Unless otherwise indicated those individuals held their position for the whole year.

#### Non-executive

CJ Morris  
 TL Fuller (appointed effective 1 October 2014)  
 SD Jones  
 ME Kerber  
 PJ Maclagan  
 AL Owen  
 JM Velli (appointed effective 1 October 2014)  
 NP Withnall (resigned effective 10 June 2015)

#### Executive

SJ Irving President and Chief Executive Officer

# Directors' Report

## Key management personnel other than directors

The individuals listed below are key management personnel of the Group other than directors (within the meaning of the Australian accounting standard AASB 124 Related Party Disclosures) who have the authority and responsibility for planning, directing and controlling the activities of the Group. All individuals named below held their position for the whole of the financial year ended 30 June 2015 unless otherwise stated.

Name	Position	Employer
SA Cameron	President – Australia and New Zealand	Computershare Investor Services Pty Ltd
PA Conn	President – Global Capital Markets	Computershare Inc (US)
MB Davis	Chief Financial Officer	Computershare Ltd
SHE Herfurth	President – Continental Europe	CPU Deutschland GmbH & Co KG
ML McDougall <sup>1</sup>	Chief Information Officer	Computershare Technology Services Pty Ltd
W Newling <sup>2</sup>	President – Canada	Computershare Trust Company of Canada
SR Rothbloom	President – North America	Computershare Inc (US)
N Sarkar	President – United Kingdom, Channel Islands, Ireland and South Africa	Computershare Investor Services PLC (UK)
SS Swartz <sup>3</sup>	President – Canada	Computershare Trust Company of Canada
JLW Wong	President – Asia	Computershare Hong Kong Investor Services Limited

1 ML McDougall was appointed Chief Information Officer effective 1 July 2014

2 W Newling resigned as President – Canada effective 30 September 2014

3 SS Swartz was appointed as President – Canada effective 1 October 2014

## Service contracts

On appointment to the board, all non-executive directors sign a formal appointment letter which includes details of their director fees. Non-executive directors do not have notice periods and are not entitled to receive termination payments.

Except for the Managing Director, no director may be in office for longer than three years without facing re-election. Please refer to Section 3 of the Corporate Governance Statement for further information on the Company's re-election process.

Neither the Group CEO or other executive key management personnel are employed under fixed term arrangements with Computershare. Their notice periods are based on contractual provisions and local laws (e.g. for the Group CEO and CFO and for those executives based in Australia this is 30 days' notice).

On termination of employment key management personnel are entitled to statutory entitlements in their respective jurisdictions of employment. The DSTI plan provides for full vesting on redundancy or termination by the Group other than for cause. The DLJ plan has a structured pro rata arrangement in the same circumstances and under the LTI plan, subject to Board discretion otherwise, performance rights for 'good leavers' will not vest on cessation of employment but instead a pro rata proportion will be eligible to be retained by the executive and will be subject to vesting at the end of the original performance period based on satisfaction of the applicable performance measures. Otherwise, none of these executives would, subject in some instances to local requirements in the jurisdictions where the Group operates, receive special termination payments should they cease employment for any reason.

## Amounts of remuneration

Details of the nature and amount of each element of the total remuneration for each director and member of key management personnel for the year ended 30 June 2015 are set out in the table below. Where remuneration was paid in anything other than USD, it has been translated at the average exchange rate for the financial year (for example the 2015 USD/AUD average rate was 0.83887, the 2014 USD/AUD average rate was 0.91389).

	Short-term		Long-term	Post-employment benefits	Share based payments expense			Termination	Other <sup>4</sup>	Total
	Salary and fees \$	Cash profit share and bonuses \$	Other <sup>1</sup> \$	Superannuation and pension \$	Shares \$	Performance rights/options <sup>2</sup> \$	Phantom plan <sup>3</sup> \$	\$	\$	\$
<b>2015</b>										
<b>Ref.</b>	<b>1</b>				<b>2, 3</b>					
<b>Directors</b>										
SJ Irving	763,372	335,708	39,794	15,757	85,834	184,067	-	-	62,474	1,487,006
TL Fuller <sup>5</sup>	99,863	-	-	9,487	-	-	-	-	-	109,350
SD Jones	190,824	-	-	15,757	-	-	-	-	-	206,581
ME Kerber	121,371	-	-	-	-	-	-	-	-	121,371
PJ Maclagan	122,485	-	-	-	-	-	-	-	-	122,485
CJ Morris	225,141	-	-	-	-	-	-	-	-	225,141
AL Owen	157,041	-	-	-	-	-	-	-	-	157,041
JM Velli <sup>5</sup>	100,689	-	-	-	-	-	-	-	-	100,689
NP Withnall <sup>6</sup>	132,996	-	-	12,635	-	-	-	-	-	145,631
<b>TOTAL</b>	<b>1,913,782</b>	<b>335,708</b>	<b>39,794</b>	<b>53,636</b>	<b>85,834</b>	<b>184,067</b>	<b>-</b>	<b>-</b>	<b>62,474</b>	<b>2,675,295</b>
<b>Key management personnel</b>										
SA Cameron	352,325	63,010	5,872	15,757	75,381	(5,826)	-	-	2,086	508,605
PA Conn	532,292	120,984	-	-	110,413	210,705	-	-	-	974,394
MB Davis	675,290	170,356	44,693	15,757	124,781	158,759	-	-	2,508	1,192,144
SHE Herfurth	354,641	103,093	-	-	3,349	(25,673)	77,255	-	3,346	516,011
ML McDougall <sup>7</sup>	440,407	99,305	10,954	15,757	90,506	37,958	-	-	2,508	697,395
W Newling <sup>8</sup>	217,456	75,386	-	10,872	70,504	90,535	-	428,614	344	893,711
SR Rothbloom	1,184,167	209,568	-	29,950	235,428	270,411	-	-	-	1,929,524
N Sarkar	553,456	139,947	-	55,346	105,920	109,738	-	-	2,543	966,950
SS Swartz <sup>9</sup>	264,721	84,084	-	17,255	47,475	45,651	-	-	880	460,066
JLW Wong	630,078	187,135	-	94,512	120,632	96,608	-	-	4,645	1,133,610
<b>TOTAL</b>	<b>5,204,833</b>	<b>1,252,868</b>	<b>61,519</b>	<b>255,206</b>	<b>984,389</b>	<b>988,866</b>	<b>77,255</b>	<b>428,614</b>	<b>18,860</b>	<b>9,272,410</b>

1 Other long-term remuneration comprises long service leave accruals and other long-term entitlements.

2 Performance rights expense has been included in the total remuneration on the basis that it is considered "more likely than not" at the date of this financial report that the performance condition and service condition will be met. In future reporting periods, if the probability requirement is not met, a credit to remuneration will be included to be consistent with the accounting treatment. As part of the 2016 financial year budget process, it was determined that it was no longer considered "more likely than not" that the performance condition applicable to 50% of the performance rights granted on 12 October 2011 would be met. On this basis, the accounting expense related to prior year has been reversed.

3 The Phantom Share Awards Plan (Phantom Plan) was introduced in 2013 as an alternative to the DSTI Share Plan to employees who are resident for tax purposes in countries where the taxation and/or legal requirements mean the DSTI Share Plan does not achieve the most effective outcome for Computershare or those employees. Awards under the Phantom Plan are cash-settled and vest after specified periods of service have been completed.

4 Other include payments made to key management personnel engaged on long-term assignments in accordance with Computershare's expatriate policy and benefits related to Computershare's general share plan as detailed in note 40 of the financial statements.

5 TL Fuller and JM Velli were appointed as non-executive directors on 1 October 2014.

6 NP Withnall resigned effective 10 June 2015.

7 ML McDougall was remunerated as key management personnel from 1 July 2014.

8 W Newling resigned as President – Canada on 30 September 2014 and his employment with the Computershare Trust Company of Canada ended on 1 January 2015. He was paid a cash bonus in FY15 that was referable to the prior financial period and also received a cash termination payment.

9 SS Swartz was remunerated as key management personnel from 1 October 2014.

## Directors' Report

	Short-term		Long-term	Post-employment benefits	Share based payments expense			Other <sup>4</sup>	Total
	Salary and fees	Cash profit share and bonuses	Other <sup>1</sup>	Superannuation and pension	Shares	Performance rights/options <sup>2</sup>	Phantom plan <sup>3</sup>		
2014	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ref.	1				2, 3				
<b>Directors</b>									
WS Crosby	1,087,533	604,746	18,126	16,244	-	407,139	-	-	2,133,788
SD Jones	201,056	-	-	16,244	-	-	-	-	217,300
ME Kerber	156,596	-	-	-	-	-	-	-	156,596
PJ Maclagan	129,796	-	-	-	-	-	-	-	129,796
CJ Morris	235,579	-	-	-	-	-	-	-	235,579
AL Owen	164,671	-	-	-	-	-	-	-	164,671
NP Withnall	155,362	-	-	14,371	-	-	-	-	169,733
<b>TOTAL</b>	<b>2,130,593</b>	<b>604,746</b>	<b>18,126</b>	<b>46,859</b>	<b>-</b>	<b>407,139</b>	<b>-</b>	<b>-</b>	<b>3,207,463</b>
<b>Key management personnel</b>									
SA Cameron	383,835	83,517	6,397	16,244	64,562	467,045	-	2,276	1,023,876
PA Conn	511,000	126,746	-	-	101,018	357,698	-	-	1,096,462
MB Davis	578,494	152,061	9,596	16,244	100,580	618,102	-	2,736	1,477,813
SHE Herfurth	388,710	88,934	-	-	28,195	358,082	46,158	3,759	913,838
SJ Irving	559,759	300,771	9,329	16,244	131,767	618,102	-	460,752	2,096,724
W Newling	466,710	95,699	-	22,670	92,795	378,215	-	-	1,056,089
SR Rothbloom	1,155,000	276,953	-	28,775	212,395	402,935	-	-	2,076,058
N Sarkar	475,643	133,693	-	47,564	86,565	425,746	-	2,427	1,171,638
JLW Wong	604,682	151,291	-	90,702	109,508	425,746	-	3,275	1,385,204
<b>TOTAL</b>	<b>5,123,833</b>	<b>1,409,665</b>	<b>25,322</b>	<b>238,443</b>	<b>927,385</b>	<b>4,051,671</b>	<b>46,158</b>	<b>475,225</b>	<b>12,297,702</b>

1 Other long-term remuneration comprises long service leave accruals and other long-term entitlements.

2 Performance rights expense has been included in the total remuneration on the basis that it is considered "more likely than not" at the date of this financial report that the performance condition and service condition will be met. In future reporting periods, if the probability requirement is not met, a credit to remuneration will be included to be consistent with the accounting treatment.

3 The Phantom Share Awards Plan (Phantom Plan) was introduced in 2013 as an alternative to the DSTI Share Plan to employees who are resident for tax purposes in countries where the taxation and/or legal requirements mean the DSTI Share Plan does not achieve the most effective outcome for Computershare or those employees. Awards under the Phantom Plan are cash-settled and vest after specified periods of service have been completed.

4 Other include payments made to key management personnel engaged on long-term assignments in accordance with Computershare's expatriate policy and benefits related to Computershare's general share plan as detailed in note 40 of the financial statements.

### 1. Short-term salary and fees, cash profit share and bonuses, long-term other, post-employment benefits

#### Directors

SJ Irving, TL Fuller, SD Jones, PJ Maclagan, CJ Morris, and NP Withnall are paid in Australian dollars. Although the non-executive director fees for ME Kerber and AL Owen are set in Australian dollars, they are paid in Euros and British pounds respectively based on an exchange rate set at the start of each financial year. Similarly, director fees for JM Velli are set in Australian dollars and are paid in United States dollars.

#### President and Group key management personnel

For a number of key management personnel, the increases to their base salary and on target STI package guide as outlined below are the first increases they have received since 2012.

SJ Irving receives his cash entitlements (being salary, cash profit bonus and cash equivalent amounts for the DSTI component) and superannuation/pension in Australian dollars. In 2014/15 his on target STI package guide was increased to AUD 1,300,000 with effect from 1 July 2014 to reflect his appointment as CEO.

SA Cameron receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Australian dollars. In 2014/15 he received no increase to his base salary and on target STI package guide.

PA Conn receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in United States dollars. In 2014/15 he received a 5% increase to his base salary and on target STI package guide.



MB Davis receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Australian dollars. In 2014/15 he received a 28% increase to his base salary and on target STI package guide reflecting a recent role change to Group CFO and additional responsibilities.

SHE Herfurth receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Euros. In 2014/15 he received a 3% increase to his base salary and on target STI package guide.

ML McDougall receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Australian dollars. In 2014/15 he received a 10% increase to his base salary and on target STI package guide reflecting his appointment as Group CIO.

W Newling received his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Canadian dollars. In 2014/15 he received no increase to his base salary and on target STI package guide.

SR Rothbloom receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in United States dollars. In 2014/15 he received a 3% increase to his base salary and on target STI package guide.

N Sarkar receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in British pounds. In 2014/15 he received a 19% increase to his base salary and on target STI package guide reflecting a market based adjustment.

SS Swartz receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Canadian dollars. In 2014/15 his on target STI package guide was increased to CAD 590,000 reflecting his appointment as President of Computershare Canada.

JLW Wong receives his cash entitlements (being salary and cash profit bonus) and superannuation/pension in Hong Kong dollars. In 2014/15 he received a 5% increase to his base salary and on target STI package guide.

## 2. Shares granted as remuneration under DSTI Plan

Set out below is a summary of shares granted under the DSTI plan and the maximum value of shares that are expected to vest in the future if the vesting conditions are met:

	Date granted	Number granted	Number vested during the year	Number outstanding end of the year	Financial year in which grant may vest	Value at grant date (if granted this year)	Maximum total value of grant yet to be expensed
						\$	\$
SJ Irving	1/10/2012	14,355	(14,355)	-	Vested	-	-
	1/10/2013	17,837	-	17,837	FY 2016	-	13,259
SA Cameron	1/10/2012	6,563	(6,563)	-	Vested	-	-
	1/10/2013	9,231	-	9,231	FY 2016	-	6,862
	1/10/2014	7,981	-	7,981	FY 2017	81,010	49,506
PA Conn	1/10/2012	10,192	(10,192)	-	Vested	-	-
	1/10/2013	14,180	-	14,180	FY 2016	-	10,541
	1/10/2014	10,879	-	10,879	FY 2017	110,425	67,482
MB Davis	1/10/2012	10,463	(10,463)	-	Vested	-	-
	1/10/2013	14,123	-	14,123	FY 2016	-	10,498
	1/10/2014	14,538	-	14,538	FY 2017	147,565	90,179
SHE Herfurth	1/10/2012	5,333	(5,333)	-	Vested	-	-
	1/10/2013*	9,285	-	9,285	FY 2016	-	7,802
	1/10/2014*	8,468	-	8,468	FY 2017	85,953	49,810
ML McDougall	1/10/2012	7,904	(7,904)	-	Vested	-	-
	1/10/2013	10,752	-	10,752	FY 2016	-	7,993
	1/10/2014	9,940	-	9,940	FY 2017	100,894	61,658
W Newling	1/10/2012	9,987	(9,987)	-	Vested	-	-
	1/10/2013	12,719	(12,719)	-	Vested	-	-
SR Rothbloom	1/10/2012	22,293	(22,293)	-	Vested	-	-
	1/10/2013	28,353	-	28,353	FY 2016	-	21,076
	1/10/2014	25,161	-	25,161	FY 2017	255,392	156,073
N Sarkar	1/10/2012	8,326	(8,326)	-	Vested	-	-
	1/10/2013	12,804	-	12,804	FY 2016	-	9,518
	1/10/2014	11,539	-	11,539	FY 2017	117,125	71,576

## Directors' Report

	Date granted	Number granted	Number vested during the year	Number outstanding end of the year	Financial year in which grant may vest	Value at grant date (if granted this year)	Maximum total value of grant yet to be expensed
						\$	\$
SS Swartz	1/10/2012	4,287	(4,287)	-	Vested	-	-
	1/10/2013	5,636	-	5,636	FY 2016	-	4,190
	1/10/2014	5,196	-	5,196	FY 2017	52,741	32,231
JLW Wong	1/10/2012	11,256	(11,256)	-	Vested	-	-
	1/10/2013	14,844	-	14,844	FY 2016	-	11,034
	1/10/2014	12,574	-	12,574	FY 2017	127,630	77,996

\*Award made under the Phantom Share Plan

Fair values of shares at grant date are determined using the closing share price on grant date.

### 3. Performance rights

Performance rights granted under the DLI plan and the LTI plan are for no consideration and carry no dividend or voting rights. Each performance right carries an entitlement to one fully paid ordinary share in Computershare Limited.

Set out below is a summary of performance rights granted under the DLI and LTI plans.

	Date granted	Number granted	Number vested during the year	Number lapsed during the year	Number forfeited during the year	Number outstanding end of the year	Financial year in which grant may vest	Value at grant date (if granted this year)	Maximum total value of grant yet to be expensed
								\$	\$
SJ Irving	12/11/2009	350,000	(175,000)	(175,000)	-	-	FY 2015	-	-
	12/10/2011	150,000	-	-	-	150,000	FY 2017	-	155,979
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	107,084	-	-	-	107,084	FY 2018	658,001	438,668
SA Cameron	04/05/2012	200,000	-	-	-	200,000	FY 2017	-	247,634
	25/09/2012	150,000	-	-	-	150,000	FY 2018	-	362,140
	1/12/2014	29,654	-	-	-	29,654	FY 2018	182,216	121,477
PA Conn	12/11/2009	250,000	(125,000)	(125,000)	-	-	FY 2015	-	-
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	43,937	-	-	-	43,937	FY 2018	269,981	179,987
MB Davis	12/11/2009	350,000	(175,000)	(175,000)	-	-	FY 2015	-	-
	12/10/2011	150,000	-	-	-	150,000	FY 2017	-	155,979
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	94,728	-	-	-	94,728	FY 2018	582,077	388,051
SHE Herfurth	12/10/2011	200,000	-	-	-	200,000	FY 2017	-	207,973
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	30,069	-	-	-	30,069	FY 2018	184,766	123,177
ML McDougall	1/12/2014	18,533	-	-	-	18,533	FY 2018	113,880	75,920
W Newling	12/11/2009	200,000	(100,000)	(100,000)	-	-	FY 2015	-	-
	25/09/2012	150,000	(75,000)	-	(75,000)*	-	FY 2018	-	-
SR Rothbloom	12/11/2009	300,000	(150,000)	(150,000)	-	-	FY 2015	-	-
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	73,086	-	-	-	73,086	FY 2018	449,093	299,395
N Sarkar	12/11/2009	200,000	(100,000)	(100,000)	-	-	FY 2015	-	-
	12/10/2011	100,000	-	-	-	100,000	FY 2017	-	103,986
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	45,411	-	-	-	45,411	FY 2018	279,038	186,025

	Date granted	Number granted	Number vested during the year	Number lapsed during the year	Number forfeited during the year	Number outstanding end of the year	Financial year in which grant may vest	Value at grant date (if granted this year)	Maximum total value of grant yet to be expensed
								\$	\$
SS Swartz	1/12/2014	22,288	-	-	-	22,288	FY 2018	136,954	91,302
JLW Wong	12/11/2009	200,000	(100,000)	(100,000)	-	-	FY 2015	-	-
	12/10/2011	100,000	-	-	-	100,000	FY 2017	-	103,986
	25/09/2012	100,000	-	-	-	100,000	FY 2018	-	241,427
	1/12/2014	39,000	-	-	-	39,000	FY 2018	239,644	159,763

\* 50% of the performance rights granted to W Newling on 25 September 2012 were forfeited during the current financial year. The remaining 50% vested effective on his employment ending on 1 January 2015.

### Shareholdings of key management personnel

The number of ordinary shares in Computershare Limited held during the financial year by each director and the other named key management personnel, including details of shares granted as remuneration during the current financial year and ordinary shares provided as the result of the exercise of remuneration options during the current financial year, are included in the table below.

	Balance at beginning of the year	Vested under DSTI plan	On exercise of options/ performance rights	On market purchases / (sales)	Other	Balance at end of the year	Value of options/ performance rights exercised
							\$
<b>Directors</b>							
SJ Irving	-	14,355	175,000	(189,355)	-	-	-
TL Fuller*	-	-	-	2,000	-	2,000	-
SD Jones	14,000	-	-	-	-	14,000	-
M Kerber	40,000	-	-	-	-	40,000	-
PJ Maclagan	13,016,279	-	-	(239,254)	-	12,777,025	-
CJ Morris	39,824,546	-	-	(2,260,546)	-	37,564,000	-
AL Owen	12,910	-	-	-	-	12,910	-
JM Velli*	-	-	-	10,000	-	10,000	-
NP Withnall*	2,357	-	-	34	-	2,391	-
<b>Key management personnel</b>							
SA Cameron	78	6,563	-	(7,125)	562	78	-
PA Conn	518,479	10,192	125,000	(65,163)	-	588,508	-
MB Davis	5,995	10,463	175,000	(184,240)	-	7,218	-
SHE Herfurth	12,518	5,333	-	(5,000)	283	13,134	-
ML McDougall*	45,334	7,904	-	-	-	53,238	-
W Newling*	5,199	22,706	175,000	(202,905)	-	-	-
SR Rothbloom	78,105	22,293	150,000	(184,041)	-	66,357	-
N Sarkar	5,160	8,326	100,000	(103,962)	2,418	11,942	-
SS Swartz*	-	4,287	50,000	(38,021)	-	16,266	-
JLW Wong	69,451	11,256	100,000	(25,100)	3,317	158,924	-

\*Where the Directors and key management personnel have been appointed or have resigned during the year, their shareholding is from the balance at the beginning of the year to the end of the year.

## Directors' Report

### D. PROPORTIONS OF FIXED AND PERFORMANCE RELATED REMUNERATION

The percentage value of total remuneration relating to the current financial year received by key management personnel that consists of fixed and performance related remuneration is as follows:

	% of fixed/ non-performance related remuneration	% of total remuneration received as cash bonus (CSTI)	% of remuneration received as equity bonus (DSTI)	% of total remuneration received as performance related rights/options*
SJ Irving	51.21%	19.51%	4.99%	24.29%
TL Fuller	100.00%	0.00%	0.00%	0.00%
SD Jones	100.00%	0.00%	0.00%	0.00%
ME Kerber	100.00%	0.00%	0.00%	0.00%
PJ Maclagan	100.00%	0.00%	0.00%	0.00%
CJ Morris	100.00%	0.00%	0.00%	0.00%
AL Owen	100.00%	0.00%	0.00%	0.00%
JM Velli	100.00%	0.00%	0.00%	0.00%
NP Withnall	100.00%	0.00%	0.00%	0.00%
SA Cameron	42.72%	7.16%	8.57%	41.55%
PA Conn	54.63%	12.42%	11.33%	21.62%
MB Davis	51.77%	11.95%	8.75%	27.53%
SHE Herfurth	43.64%	12.45%	9.33%	34.58%
ML McDougall	67.34%	14.24%	12.98%	5.44%
W Newling	73.54%	8.44%	7.89%	10.13%
SR Rothbloom	62.93%	10.86%	12.20%	14.01%
N Sarkar	54.45%	12.46%	9.43%	23.66%
SS Swartz	61.48%	18.28%	10.32%	9.92%
JLW Wong	56.55%	14.51%	9.35%	19.59%

\* Excludes the DLI performance rights reversal in the year ended 30 June 2015.

### E. OTHER INFORMATION

#### Loans and other transactions with directors and executives

Computershare made no loans to directors and executive directors or other key management personnel during the current financial year.

CJ Morris has a significant interest in Lumi Technologies Limited. This entity provides meeting services to Computershare on ordinary commercial terms and conditions. Total value of services provided in the year ended 30 June 2015 was \$1,943,135. Computershare also provides services to Lumi Technologies Limited on ordinary commercial terms and conditions for the rental of a premises and voucher services. Total value of services provided in the year ended 30 June 2015 was \$731,891.

The consolidated entity made rental payments related to property used by Computershare and owned by CJ Morris. Payments made in the year ended 30 June 2015 amounted to \$29,576.

The consolidated entity made rental payments related to property used by Computershare and owned by PJ Maclagan. Payments made in the year ended 30 June 2015 amounted to \$72,000.

As a matter of Board approved policy, the Group maintains a register of all transactions between employees and the consolidated entity. It is established practice for any director to excuse himself or herself from discussion and voting upon any transaction in which that director has an interest. The consolidated entity has a Board approved ethics policy governing many aspects of workplace conduct, including management and disclosure of conflicts of interest.

#### Derivative instruments

Computershare's policy forbids key management personnel to deal in derivatives designed as a hedge against exposure to unvested shares in Computershare Limited.

## Shares under option

Unissued ordinary shares in Computershare Limited under options and performance rights at the date of this report are as follows:

<b>Date granted</b>	<b>Financial year of expiry</b>	<b>Number under options/performance rights</b>
<b>Performance rights</b>		
12/08/2010	FY 2016	100,000
12/10/2011	FY 2017	700,000
04/05/2012	FY 2017	200,000
25/09/2012	FY 2018	950,000
1/12/2014	FY 2018	579,238

# Directors' Report

## AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

### Auditor's independence declaration

A copy of the auditor's signed independence declaration as required under section 307C of the *Corporations Act 2001* is provided immediately after this report.

### Non-audit services

The Group may decide to employ its auditor, PricewaterhouseCoopers, on assignments in addition to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and internal guidelines. Further details regarding the Board's internal policy for engaging PricewaterhouseCoopers for non-audit services are set out in the Corporate Governance Statement.

The directors are satisfied that the provision of non-audit services by PricewaterhouseCoopers, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- > No services were provided by PricewaterhouseCoopers that are prohibited by policy (the policy lists services that are not able to be undertaken).
- > None of the services provided undermine the general principles relating to auditor's independence, including reviewing or auditing the auditor's own work, acting in a management capacity or a decision making capacity for the Group, acting as an advocate for the Group or jointly sharing economic risks and rewards.

Details of the amounts paid to the auditor for both audit and non-audit services are provided in the table below.

During the year the following amounts were incurred in relation to services provided by PricewaterhouseCoopers, the group auditor, and its network firms.

	2015 \$000	2014 \$000
1. Audit services		
Audit and review of the financial statements and other audit work by PricewaterhouseCoopers Australia	843	985
Audit and review of the financial statements and other audit work by network firms of PricewaterhouseCoopers Australia	3,084	3,042
	3,927	4,027
2. Other services		
Other assurance services performed by PricewaterhouseCoopers Australia	372	386
Other assurance services performed by network firms of PricewaterhouseCoopers Australia	2,203	1,718
Tax advice on acquisitions provided by network firms of PricewaterhouseCoopers Australia	38	9
	2,613	2,113
<b>Total Auditors' Remuneration</b>	<b>6,540</b>	<b>6,140</b>

## ROUNDING OF AMOUNTS

The Group is of a kind referred to in class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class order to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the directors.



CJ Morris  
Chairman



SJ Irving  
Chief Executive Officer

21 September 2015





## Auditor's Independence Declaration

As lead auditor for the audit of Computershare Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Computershare Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'C Lewis'.

Christopher Lewis  
Partner  
PricewaterhouseCoopers

Melbourne  
21 September 2015

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Liability limited by a scheme approved under Professional Standards Legislation.

## Consolidated Statement of Comprehensive Income for the year ended 30 June 2015

	Note	2015 \$000	2014 \$000
<b>Revenue from continuing operations</b>			
Sales revenue	1	1,966,193	2,011,416
Other revenue	1	5,059	3,697
<b>Total revenue from continuing operations</b>		<b>1,971,252</b>	<b>2,015,113</b>
Other income	2	12,777	33,483
<b>Expenses</b>			
Direct services		1,410,524	1,375,600
Technology costs		260,915	267,034
Corporate services		15,146	16,289
Finance costs		51,957	62,933
<b>Total expenses</b>		<b>1,738,542</b>	<b>1,721,856</b>
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	30 & 31	(2,316)	(1,112)
<b>Profit before related income tax expense</b>		<b>243,171</b>	<b>325,628</b>
Income tax expense/(credit)	5	85,893	71,100
<b>Profit for the year</b>		<b>157,278</b>	<b>254,528</b>
<b>Other comprehensive income that may be reclassified to profit or loss</b>			
Available-for-sale financial assets		9	(864)
Cash flow hedges		(53)	(791)
Exchange differences on translation of foreign operations		(106,480)	19,340
Income tax relating to components of other comprehensive income	5	14,963	2,141
<b>Total other comprehensive income for the year, net of tax</b>		<b>(91,561)</b>	<b>19,826</b>
<b>Total comprehensive income for the year</b>		<b>65,717</b>	<b>274,354</b>
<b>Profit for the year is attributable to:</b>			
Members of Computershare Limited		153,576	251,401
Non-controlling interests		3,702	3,127
		<b>157,278</b>	<b>254,528</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Members of Computershare Limited		63,239	270,994
Non-controlling interests		2,478	3,360
		<b>65,717</b>	<b>274,354</b>
<b>Basic earnings per share (cents per share)</b>	3	<b>27.61 cents</b>	45.20 cents
<b>Diluted earnings per share (cents per share)</b>	3	<b>27.56 cents</b>	45.00 cents

The above consolidated statement of comprehensive income is presented in United States dollars and should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position as at 30 June 2015

	Note	2015 \$000	2014 \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	555,278	460,019
Receivables	14	361,185	374,445
Financial assets held for trading		-	547
Available-for-sale financial assets	18	620	246
Other financial assets	15	209,657	162,838
Inventories	16	4,853	5,630
Current tax assets	5	10,574	15,592
Derivative financial instruments	12	750	4,603
Other current assets	17	33,362	34,917
Assets classified as held for sale	8	51,558	58,704
<b>Total current assets</b>		<b>1,227,837</b>	<b>1,117,541</b>
<b>NON-CURRENT ASSETS</b>			
Bank deposits		19,664	-
Receivables	14	972	2,612
Investments accounted for using the equity method	29	31,596	36,813
Available-for-sale financial assets	18	7,394	8,732
Property, plant and equipment	19	161,107	176,173
Deferred tax assets	5	189,348	167,625
Derivative financial instruments	12	31,239	24,064
Intangibles	9	2,132,298	2,274,640
<b>Total non-current assets</b>		<b>2,573,618</b>	<b>2,690,659</b>
<b>Total assets</b>		<b>3,801,455</b>	<b>3,808,200</b>
<b>CURRENT LIABILITIES</b>			
Payables	20	392,448	416,996
Interest bearing liabilities	13	172,805	226,210
Current tax liabilities	5	29,435	33,081
Provisions	21	44,231	62,417
Derivative financial instruments	12	20,838	-
Deferred consideration	22	6,585	33,833
Liabilities directly associated with assets classified as held for sale	8	12,816	23,099
Other liabilities	23	44,537	38,946
<b>Total current liabilities</b>		<b>723,695</b>	<b>834,582</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	20	1,374	2,303
Interest bearing liabilities	13	1,596,299	1,433,044
Deferred tax liabilities	5	214,512	192,215
Provisions	21	31,548	36,959
Deferred consideration	22	4,869	6,854
Derivative financial instruments	12	9,732	-
Other liabilities	23	41,785	35,031
<b>Total non-current liabilities</b>		<b>1,900,119</b>	<b>1,706,406</b>
<b>Total liabilities</b>		<b>2,623,814</b>	<b>2,540,988</b>
<b>Net assets</b>		<b>1,177,641</b>	<b>1,267,212</b>
<b>EQUITY</b>			
Contributed equity	25	35,703	35,703
Reserves	26	(19,362)	84,240
Retained earnings	27	1,147,906	1,134,305
Total parent entity interest	24	1,164,247	1,254,248
Non-controlling interests	24	13,394	12,964
<b>Total equity</b>		<b>1,177,641</b>	<b>1,267,212</b>

The above consolidated statement of financial position is presented in United States dollars and should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity for the year ended 30 June 2015

	Attributable to members of Computershare Limited				Non-controlling Interests \$000	Total Equity \$000
	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000		
<b>Total equity at 1 July 2014</b>	<b>35,703</b>	<b>84,240</b>	<b>1,134,305</b>	<b>1,254,248</b>	<b>12,964</b>	<b>1,267,212</b>
<b>Profit for the year</b>	-	-	153,576	153,576	3,702	157,278
Available-for-sale financial assets	-	9	-	9	-	9
Cash flow hedges	-	(53)	-	(53)	-	(53)
Exchange differences on translation of foreign operations	-	(105,256)	-	(105,256)	(1,224)	(106,480)
Income tax (expense)/credits	-	14,963	-	14,963	-	14,963
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(90,337)</b>	<b>153,576</b>	<b>63,239</b>	<b>2,478</b>	<b>65,717</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for or paid	-	-	(139,975)	(139,975)	(2,048)	(142,023)
Transactions with non-controlling interests	-	(293)	-	(293)	-	(293)
Cash purchase of shares on market	-	(27,971)	-	(27,971)	-	(27,971)
Share based remuneration	-	14,999	-	14,999	-	14,999
<b>Balance at 30 June 2015</b>	<b>35,703</b>	<b>(19,362)</b>	<b>1,147,906</b>	<b>1,164,247</b>	<b>13,394</b>	<b>1,177,641</b>
<b>Total equity at 1 July 2013</b>	<b>35,703</b>	<b>58,910</b>	<b>1,025,231</b>	<b>1,119,844</b>	<b>11,091</b>	<b>1,130,935</b>
<b>Profit for the year</b>	-	-	251,401	251,401	3,127	254,528
Available-for-sale financial assets	-	(864)	-	(864)	-	(864)
Cash flow hedges	-	(791)	-	(791)	-	(791)
Exchange differences on translation of foreign operations	-	19,107	-	19,107	233	19,340
Income tax (expense)/credits	-	2,141	-	2,141	-	2,141
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>19,593</b>	<b>251,401</b>	<b>270,994</b>	<b>3,360</b>	<b>274,354</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for or paid	-	-	(142,327)	(142,327)	(1,487)	(143,814)
Transactions with non-controlling interests	-	(479)	-	(479)	-	(479)
Equity related contingent consideration	-	581	-	581	-	581
Cash purchase of shares on market	-	(13,582)	-	(13,582)	-	(13,582)
Share based remuneration	-	19,217	-	19,217	-	19,217
<b>Balance at 30 June 2014</b>	<b>35,703</b>	<b>84,240</b>	<b>1,134,305</b>	<b>1,254,248</b>	<b>12,964</b>	<b>1,267,212</b>

The above consolidated statement of changes in equity is presented in United States dollars and should be read in conjunction with the accompanying notes.

## Consolidated Cash Flow Statement for the year ended 30 June 2015

	Note	2015 \$000	2014 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,064,771	2,083,068
Payments to suppliers and employees		(1,540,924)	(1,522,468)
Loan servicing advances (net)		(44,522)	(36,183)
Dividends received from equity securities		917	125
Interest paid and other finance costs		(52,723)	(62,916)
Interest received		4,142	3,572
Income taxes paid		(59,529)	(55,900)
<b>Net operating cash flows</b>	6	<b>372,132</b>	409,298
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of controlled entities and businesses (net of cash acquired) and intangible assets		(186,021)	(109,829)
Payments for investments in associates and joint ventures		-	(10,058)
Dividends received from associates and joint ventures		339	657
Proceeds from sale of assets		4,169	8,121
Payments for investments		(19,664)	(7,580)
Payments for property, plant and equipment		(28,384)	(16,450)
Proceeds from sale of subsidiaries and businesses net of cash disposed		23,849	23,244
<b>Net investing cash flows</b>		<b>(205,712)</b>	(111,895)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for purchase of ordinary shares – share based awards		(27,971)	(13,582)
Proceeds from borrowings		1,242,784	909,925
Repayment of borrowings		(1,161,005)	(1,027,273)
Loan servicing borrowings (net)		76,283	21,558
Dividends paid – ordinary shares (net of dividend reinvestment plan)		(133,601)	(133,722)
Purchase of ordinary shares – dividend reinvestment plan		(6,374)	(8,605)
Dividends paid to non-controlling interests in controlled entities		(2,048)	(1,487)
Repayment of finance leases		(7,759)	(9,719)
<b>Net financing cash flows</b>		<b>(19,691)</b>	(262,905)
Net increase in cash and cash equivalents held		146,729	34,498
Cash and cash equivalents at the beginning of the financial year		509,151	454,353
Exchange rate variations on foreign cash balances		(51,788)	20,300
<b>Cash and cash equivalents at the end of the year *</b>	6	<b>604,092</b>	509,151

\* Cash and cash equivalents at 30 June 2015 include \$48.8 million (2014: \$49.1 million) cash presented in the assets classified as held for sale line item in the consolidated statement of financial position.

The above consolidated cash flow statement is presented in United States dollars and should be read in conjunction with the accompanying notes.



# Notes to the Consolidated Financial Statements

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## 1. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

	2015 \$000	2014 \$000
<b>a) Revenues</b>		
<b>Sales revenue</b>		
Rendering of services	1,966,193	2,011,416
<b>Other revenue</b>		
Dividends received	917	125
Interest received	4,142	3,572
Total other revenue	5,059	3,697
Total revenue from continuing operations	1,971,252	2,015,113
<b>b) Expenses</b>		
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	41,068	38,761
Amortisation of intangible assets and other liabilities (net)	95,848	99,006
Total depreciation and amortisation	136,916	137,767
<b>Finance costs</b>		
Interest expense	49,217	56,719
Loan facility fees and other borrowing expenses	2,740	6,214
Total finance costs	51,957	62,933
<b>Other operating expense items</b>		
Operating lease rentals	59,705	47,189
Technology spending – research and development	80,433	74,137
Employee entitlements (excluding superannuation and other pension) expense	778,198	803,679
Superannuation and other pension expense	38,726	40,600
<b>Other significant expense items</b>		
Voucher Services impairment	109,536	-
Asset write-downs	5,241	26,573
Loss on disposal	-	14,058
Put option liability re-measurement	7,749	2,302
<b>2. OTHER INCOME</b>		
Gain on disposals of subsidiaries and investments	7,288	21,619
Other income	5,489	11,864
<b>Total other income</b>	<b>12,777</b>	<b>33,483</b>

# Notes to the Consolidated Financial Statements

## 3. EARNINGS PER SHARE

	Basic EPS \$000	Diluted EPS \$000	Management Basic EPS \$000	Management Diluted EPS \$000
<b>Year ended 30 June 2015</b>				
Earnings per share (cents per share)	27.61 cents	27.56 cents	59.82 cents	59.72 cents
Profit for the year	157,278	157,278	157,278	157,278
Non-controlling interest (profit)/loss	(3,702)	(3,702)	(3,702)	(3,702)
Add back management adjustment items (see below)	-	-	179,158	179,158
<b>Net profit attributable to the members of Computershare Limited</b>	<b>153,576</b>	<b>153,576</b>	<b>332,734</b>	<b>332,734</b>
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	556,203,079		556,203,079	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		557,178,079		557,178,079
<b>Year ended 30 June 2014</b>				
Earnings per share (cents per share)	45.20 cents	45.00 cents	60.24 cents	59.97 cents
Profit for the year	254,528	254,528	254,528	254,528
Non-controlling interest (profit)/loss	(3,127)	(3,127)	(3,127)	(3,127)
Add back management adjustment items (see below)	-	-	83,636	83,636
<b>Net profit attributable to the members of Computershare Limited</b>	<b>251,401</b>	<b>251,401</b>	<b>335,037</b>	<b>335,037</b>
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	556,203,079		556,203,079	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		558,653,079		558,653,079

Reconciliation of weighted average number of shares used as the denominator:

	2015 Number	2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	556,203,079	556,203,079
Adjustments for calculation of diluted earnings per share:		
Performance rights	975,000	2,450,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	557,178,079	558,653,079

No employee performance rights have been issued since year end.

### Management adjustment items

Management adjusted results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

For the year ended 30 June 2015 management adjustment items were as follows:

	Gross \$000	Tax effect \$000	Net of tax \$000
<b>Amortisation</b>			
Intangible assets amortisation	(90,065)	31,545	(58,520)
<b>Acquisitions and disposals</b>			
Gain on disposal	7,288	343	7,631
Acquisition and disposal accounting adjustments	11,383	(4,800)	6,583
Acquisition and disposal related restructuring costs	(9,094)	3,080	(6,014)
Asset write-down	(5,241)	-	(5,241)
Acquisition and disposal related expenses	(4,540)	988	(3,552)
Gain on bargain purchase	670	-	670
<b>Other</b>			
Voucher Services impairment	(109,536)	-	(109,536)
Put option liability re-measurement	(7,749)	-	(7,749)
Marked to market adjustments – derivatives	(3,179)	975	(2,204)
Major restructuring costs	(2,050)	824	(1,226)
<b>Total management adjustment items</b>	<b>(212,113)</b>	<b>32,955</b>	<b>(179,158)</b>

For the year ended 30 June 2014 management adjustment items were as follows:

	Gross \$000	Tax effect \$000	Net of tax \$000
<b>Amortisation</b>			
Intangible assets amortisation	(96,060)	33,856	(62,204)
<b>Acquisitions and disposals</b>			
Business closure – Australian Funds Services	3,138	(533)	2,605
Acquisition and disposal accounting adjustments	1,979	322	2,301
Acquisition related expenses	(1,266)	445	(821)
Net gain on disposals	7,561	(6,744)	817
Restructuring costs	(1,154)	358	(796)
<b>Other</b>			
Asset write-downs	(26,573)	278	(26,295)
Foreign exchange gain	3,309	(993)	2,316
Put option liability re-measurement	(2,302)	-	(2,302)
Marked to market adjustments – derivatives	1,062	(319)	743
<b>Total management adjustment items</b>	<b>(110,306)</b>	<b>26,670</b>	<b>(83,636)</b>

### Management Adjustment Items

Management adjustment items net of tax for the year ended 30 June 2015 were as follows:

#### Amortisation

- > Customer contracts and other intangible assets that are recognised on business combinations or major asset acquisitions are amortised over their useful life in the statutory results but excluded from management earnings. The amortisation of these intangibles for FY15 was \$58.5 million. Amortisation of intangibles purchased outside of business combinations (eg, mortgage servicing rights) is included as a charge against management earnings.

#### Acquisitions and disposals

- > The disposal of ConnectNow in June 2015, part of the Serviceworks Group, realised a gain of \$7.6 million.
- > Acquisition accounting adjustments related to Registrar and Transfer Company, Shareowner Services, Specialized Loan Servicing and SG Vestia Systems Inc totalled \$6.6 million.
- > Acquisition and disposal restructuring costs of \$6.0 million were incurred. These costs related to Registrar and Transfer Company, Homeloan Management Limited, Olympia Corporate and Shareholder Services assets, SG Vestia Systems Inc, Valiant Trust Company assets and the Serviceworks Group.

## Notes to the Consolidated Financial Statements

- > The assets of the Russian business were written down to fair value less costs of disposal on classification as 'held for sale' resulting in a loss of \$5.2 million.
- > Acquisition and disposal related expenses of \$3.6 million were incurred associated with Olympia Corporate and Shareholder Services assets, Registrar and Transfer Company, Homeloan Management Limited, SG Vestia Systems Inc, Valiant Trust Company assets, European Global Stock Plan Services, VEM, the Russian business and Helios Switzerland.
- > A gain of \$0.7 million was recorded related to the bargain purchase of Topaz Finance Limited in the UK.

### Other

- > An impairment charge of \$109.5 million was booked against the carrying value related to the Voucher Services business. For further information refer to note 9 and the Company's market announcement dated 30 July 2014.
- > The put option liability re-measurement resulted in an expense of \$7.7 million related to the Karvy joint venture arrangement in India.
- > Derivatives that have not received hedge designation are marked to market at the reporting date and taken to profit and loss in the statutory results. The marked to market valuation resulted in a loss of \$2.2 million.
- > Costs of \$1.2 million were incurred in relation to the major operations rationalisation underway in Louisville, USA.

## 4. SEGMENT INFORMATION

The operating segments presented reflect the manner in which the Group has been internally managed and the financial information reported to the chief operating decision maker (CEO) in the current financial year. The Group has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions and assess performance.

There are seven operating segments. Six of them are geographic: Asia, Australia and New Zealand, Canada, Continental Europe, UCIA (United Kingdom, Channel Islands, Ireland and Africa) and the United States of America. In addition, Technology and Other segment comprises the provision of software, specialising in share registry and financial services. It is also a research and development function, for which discrete financial information is reviewed by the CEO.

In each of the six geographic segments the consolidated entity offers a combination of its core products and services: Investor Services, business services, plan services, communication services and stakeholder relationship management services. Investor Services comprise the provision of registry maintenance and related services. Business services comprise the provision of bankruptcy, class action and utilities administration services, voucher services, corporate trust services and mortgage servicing activities. Plan services comprise the provision of administration and related services for employee share and option plans. Communication services comprise laser imaging, intelligent mailing, inbound process automation, scanning and electronic delivery. Stakeholder relationship management services comprise the provision of investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.

None of the corporate entities have been allocated to the operating segments. The main purpose of the corporate entities is to hold intercompany investments and conduct financing activities.

### OPERATING SEGMENTS

	Asia \$000	Australia & New Zealand \$000	Canada \$000	Continental Europe \$000	Technology & Other \$000	UCIA \$000	United States \$000	Total \$000
<b>June 2015</b>								
<b>Total segment revenue and other income</b>	124,596	309,635	186,660	113,299	226,705	358,562	870,521	2,189,978
<b>External revenue and other income</b>	122,350	308,928	184,567	112,979	17,407	354,368	867,473	1,968,072
<b>Intersegment revenue</b>	2,246	707	2,093	320	209,298	4,194	3,048	221,906
<b>Management adjusted EBITDA</b>	42,217	51,652	76,595	22,161	30,646	118,966	213,549	555,786
<b>June 2014</b>								
Total segment revenue and other income	111,884	376,368	189,813	115,106	232,367	324,037	889,673	2,239,248
External revenue and other income	110,449	375,538	187,355	114,935	17,647	320,396	887,026	2,013,346
Intersegment revenue	1,435	830	2,458	171	214,720	3,641	2,647	225,902
Management adjusted EBITDA	36,730	69,775	75,722	14,176	14,002	120,422	208,773	539,600

## Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the statement of comprehensive income. Sales between segments are included in the total segment revenue, whereas sales within a segment have been eliminated from segment revenue. Sales between segments are at normal commercial rates and are eliminated on consolidation.

Segment revenue reconciles to total revenue from continuing operations as follows:

	2015 \$000	2014 \$000
<b>Total operating segment revenue and other income</b>	<b>2,189,978</b>	2,239,248
Intersegment eliminations	(221,906)	(225,902)
Corporate revenue and other income	3,180	1,767
<b>Total revenue from continuing operations</b>	<b>1,971,252</b>	2,015,113

A reconciliation of management adjusted EBITDA to operating profit before income tax is provided as follows:

	2015 \$000	2014 \$000
<b>Management adjusted EBITDA – operating segments</b>	<b>555,786</b>	539,600
Management adjusted EBITDA – corporate	(1,694)	974
<b>Management adjusted EBITDA</b>	<b>554,092</b>	540,574
Management adjustment items (before related income tax expense):		
Intangible assets amortisation	(90,065)	(96,060)
Gain on disposals	7,288	7,561
Acquisition and disposal accounting adjustments	11,383	1,979
Acquisition and disposal related restructuring costs	(9,094)	(1,154)
Asset write-downs	(5,241)	(26,573)
Acquisition and disposal related expenses	(4,540)	(1,266)
Gain on bargain purchase	670	-
Business closure – Australian Funds Services	-	3,138
Voucher Services impairment	(109,536)	-
Put option liability re-measurement	(7,749)	(2,302)
Marked to market adjustments – derivatives	(3,179)	1,062
Major restructuring costs	(2,050)	-
Foreign exchange gain	-	3,309
Total management adjustment items (note 3)	(212,113)	(110,306)
Finance costs	(51,957)	(62,933)
Other amortisation and depreciation	(46,851)	(41,707)
<b>Profit before income tax from continuing operations</b>	<b>243,171</b>	325,628

## External revenue per business line

The table below outlines revenue from external customers for each business line:

	2015 \$000	2014 \$000
Register Maintenance	798,859	821,861
Corporate Actions	144,215	154,209
Business Services	519,143	487,855
Stakeholder Relationship Management	58,208	74,662
Employee Share Plans	247,637	259,517
Communication Services	179,780	194,759
Technology and Other Revenue	23,410	22,250
<b>Total</b>	<b>1,971,252</b>	2,015,113



# Notes to the Consolidated Financial Statements

## Geographic allocation of external revenue

The parent entity is domiciled in Australia. Countries with individually significant amounts of revenue from external customers are Australia \$298.5 million (2014: \$363.8 million), the United Kingdom \$298.2 million (2014: \$259.8 million), the United States \$881.6 million (2014: \$905.9 million) and Canada \$185.5 million (2014: \$188.7 million). Revenue from external customers in countries other than Australia amounts to \$1,672.8 million (2014: \$1,651.3 million).

Revenues are allocated based on the country in which the Group entity is located.

## Geographic allocation of non-current assets

Countries with individually significant non-current assets are Australia, the United Kingdom, the United States and Canada. Non-current assets in the United Kingdom amount to \$276.0 million (2014: \$318.9 million), Australia \$215.6 million (2014: \$301.7 million), United States \$1,507.8 million (2014: \$1,495.2 million) and Canada \$177.6 million (2014: \$180.4 million). Non-current assets held in countries other than Australia amount to \$2,139.8 million (2014: \$2,188.5 million).

Non-current assets exclude financial instruments and deferred tax assets and are allocated to countries based on where the assets are located.

## 5. INCOME TAX EXPENSE AND BALANCES

### Income tax expense

#### a) Income tax expense

	2015 \$000	2014 \$000
<b>Current tax expense</b>		
Current tax expense	82,992	83,065
Under/(over) provided in prior years	3,927	(5,692)
<b>Total current tax expense</b>	<b>86,919</b>	<b>77,373</b>
<b>Deferred tax expense/(benefit)</b>		
Decrease/(increase) in deferred tax assets	(20,574)	(4,376)
(Decrease)/increase in deferred tax liabilities	19,548	(1,897)
<b>Total deferred tax expense/(credit)</b>	<b>(1,026)</b>	<b>(6,273)</b>
<b>Total income tax expense</b>	<b>85,893</b>	<b>71,100</b>

#### b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	243,171	325,628
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The tax expense for the financial year differs from the amount calculated on the profit.

The differences are reconciled as follows:

Prima facie income tax expense thereon at 30%	72,951	97,688
Tax effect of permanent differences:		
Voucher Services goodwill impairment	32,861	-
Variation in tax rates of foreign controlled entities	(4,277)	(7,001)
Prior year tax (over)/under provided	3,927	(5,692)
Research and development allowance	(2,327)	(2,473)
Net other deductible	(17,242)	(11,422)
<b>Income tax expense/(credit)</b>	<b>85,893</b>	<b>71,100</b>

#### c) Amounts recognised directly in equity

Deferred tax – (debited)/credited directly to equity	92	1,025
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#### d) Tax credit/(expense) relating to items of other comprehensive income

Cash flow hedges	243	48
Net investment hedges	14,720	2,128
Other	-	(35)
	<b>14,963</b>	<b>2,141</b>

## e) Unrecognised tax losses

As at 30 June 2015, companies within the consolidated entity had estimated unrecognised tax losses (predominantly capital losses) of \$35.4 million (2014: \$57.0 million) available to offset against future years' taxable income.

### Tax assets

	2015 \$000	2014 \$000
<b>Current tax assets</b>		
Refunds receivable	10,574	15,592
<b>Deferred tax assets</b>		
Attributable to carry forward tax losses	37,772	30,682
Attributable to temporary differences	151,576	136,943
	<b>189,348</b>	<b>167,625</b>
<b>Movements during the year</b>		
Opening balance at 1 July	167,625	157,642
Currency translation difference	(11,754)	1,230
Credited/(charged) to profit or loss	20,574	4,376
Credited/(charged) to equity	92	1,025
Credited/(charged) to other comprehensive income	14,720	2,093
Set-off of deferred tax liabilities	(2,512)	879
Arising from acquisitions/(disposals)	603	380
<b>Closing balance at 30 June</b>	<b>189,348</b>	<b>167,625</b>

### The deferred tax assets balance comprises temporary differences attributable to:

Tax losses	37,772	30,682
Employee benefits	7,169	11,597
Property, plant and equipment	9,419	7,771
Deferred revenue	4,308	5,031
Doubtful debts	1,990	2,036
Provisions	36,636	41,973
Finance leases	2,273	1,842
Other creditors and accruals	13,484	11,330
Financial instruments and foreign exchange	58,364	35,846
Share based remuneration	8,084	12,128
Intangible assets	21,978	16,309
Other	2,651	3,348
<b>Total deferred tax assets</b>	<b>204,128</b>	<b>179,893</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	(14,780)	(12,268)
<b>Net deferred tax assets</b>	<b>189,348</b>	<b>167,625</b>

The total deferred tax assets expected to be recovered after more than 12 months amounts to \$102.4 million (2014: \$87.0 million).

## Notes to the Consolidated Financial Statements

### Tax liabilities

	2015 \$000	2014 \$000
<b>Current tax liabilities</b>		
Provision for income tax	29,435	33,081
<b>Deferred tax liabilities</b>		
Provision for deferred income tax on temporary differences	214,512	192,215
<b>Movements during the year:</b>		
Opening balance at 1 July	192,215	190,165
Currency translation difference	(5,396)	529
Charged/(credited) to profit or loss	19,548	(1,897)
Charged/(credited) to other comprehensive income	(243)	(48)
Set-off of deferred tax assets	(2,512)	879
Arising from acquisitions/(disposals)	10,900	2,587
<b>Closing balance at 30 June</b>	<b>214,512</b>	<b>192,215</b>

#### The deferred tax liabilities balance comprise temporary differences attributable to:

Property, plant and equipment	342	194
Goodwill	198,063	171,681
Intangible assets	18,738	20,074
Prepayments	464	123
Financial instruments and foreign exchange	8,873	8,601
Other	2,812	3,810
<b>Total deferred tax liabilities</b>	<b>229,292</b>	<b>204,483</b>
Set-off of deferred tax assets pursuant to set-off provisions	(14,780)	(12,268)
<b>Net deferred tax liabilities</b>	<b>214,512</b>	<b>192,215</b>

The amount of deferred tax liabilities expected to be settled after more than 12 months amounts to \$212.3 million (2014: \$184.8 million).

## 6. NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

### (a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity (three months or less), which are readily convertible to known amounts of cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the consolidated cash flow statement are reconciled to the related items in the consolidated statement of financial position as follows:

	2015 \$000	2014 \$000
Shown as cash and cash equivalents in the consolidated statement of financial position	555,278	460,019
Shown as cash and cash equivalents in the assets held for sale line item of the consolidated statement of financial position (refer to note 8)	48,814	49,132
<b>Cash at bank and on hand</b>	<b>604,092</b>	<b>509,151</b>

## (b) Reconciliation of net profit after income tax to net cash from operating activities

	2015 \$000	2014 \$000
Net profit after income tax	157,278	254,528
Adjustments for non-cash income and expense items:		
Impairment charge – Voucher Services	109,536	-
Depreciation and amortisation	136,916	137,767
Net (gain)/loss on asset disposals and asset write downs	(2,291)	7,874
Share of net (profit)/loss of associates and joint ventures accounted for using equity method	2,316	1,112
Employee benefits – share based expense	16,535	20,218
Fair value adjustments	807	(1,985)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(19,162)	(44,943)
(Increase)/decrease in inventories	2,482	2,694
(Increase)/decrease in other financial assets and other current assets	(34,315)	(34,870)
Increase/(decrease) in payables and provisions	(24,334)	50,252
Increase/(decrease) in tax balances	26,364	16,651
<b>Net cash and cash equivalents from operating activities</b>	<b>372,132</b>	<b>409,298</b>

## (c) Non-cash transactions

During the year Computershare recognised an impairment charge of \$109.5m, booked against the carrying value of goodwill related to the Voucher Services business. There were no other material non-cash transactions during the year. Refer to note 3 for details.

## (d) Acquisitions and disposals of businesses

For details of businesses acquired during the year and related cash flows refer to note 7.

## 7. BUSINESS COMBINATIONS

The Group continues to seek acquisition and other growth opportunities where value can be added and returns enhanced for the shareholders. The following controlled entities and businesses were acquired by the consolidated entity at the date stated and their operating results have been included in profit or loss from the acquisition date.

- a) On 17 November 2014, Computershare acquired 100% of Homeloan Management Limited (HML) from Skipton Building Society in the UK. HML is a third party mortgage administration business. Total consideration was \$88.6 million. This business combination contributed \$56.9 million to the total revenue of the Group. Had the acquisition occurred on 1 July 2014, the total revenue contribution to the Group by the acquired entity would have been \$87.0 million.

Details of the acquisition are as follows:

	\$000
Cash consideration	88,580
Less fair value of identifiable assets acquired	(68,244)
<b>Goodwill</b>	<b>20,336</b>

## Notes to the Consolidated Financial Statements

Assets and liabilities arising from this acquisition are as follows:

	Fair value \$000
Cash	11,639
Current receivables	5,849
Tax assets	66
Other current assets	13,431
Plant, property and equipment	3,873
Software	11,116
Customer contracts and related relationships	38,837
Brand name	2,815
Deferred tax assets	600
Current payables	(6,050)
Current provisions	(5,602)
Deferred tax liability	(8,330)
<b>Net assets</b>	<b>68,244</b>

Purchase consideration:

Inflow/(outflow) of cash, net of cash acquired:

	\$000
Cash balance acquired	11,639
Less cash paid	(88,580)
<b>Net inflow/(outflow) of cash</b>	<b>(76,941)</b>

- b) On 1 May 2015, Computershare acquired assets of Valiant Trust Company (VTC) in Canada. The acquisition includes the transfer agency, corporate trust and employee share plan services businesses of VTC across the Canadian market. Total consideration was \$27.4 million. This business combination did not materially contribute to the total revenue of the Group.

Details of the acquisition are as follows:

	\$000
Total cash consideration paid	27,356
Less fair value of identifiable assets acquired	(509)
<b>Provisional goodwill*</b>	<b>26,847</b>

\*Identification and valuation of net assets acquired will be completed within the 12 month measurement period in accordance with the Group's accounting policy.

Assets and liabilities arising from this acquisition are as follows:

	Fair value \$000
Current receivables	1,143
Inventories	60
Prepayments	22
Plant, property and equipment	79
Current payables	(795)
<b>Net assets</b>	<b>509</b>

Purchase consideration:

Inflow/(outflow) of cash, net of cash acquired:

	\$000
Cash paid	(27,356)
<b>Net inflow/(outflow) of cash</b>	<b>(27,356)</b>

- c) On 17 January 2015, Computershare acquired assets of Istifid S.p.A., a registry business in Italy. Total consideration was \$5.6 million. This business combination did not materially contribute to the total revenue of the Group.

Details of the acquisition are as follows:

	<b>\$000</b>
Total cash consideration paid	5,625
Less fair value of identifiable assets acquired	(101)
<b>Provisional goodwill*</b>	<b>5,524</b>

\*Identification and valuation of net assets acquired will be completed within the 12 month measurement period in accordance with the Group's accounting policy.

- d) On 30 March 2015, Computershare acquired 100% of Topaz Finance Limited, a third party mortgage administration business in the UK. Gain on bargain purchase of \$0.7 million has been recognised as the value of the identifiable net assets exceeded the value of the purchase consideration of \$2. The gain is included in other income in the statement of comprehensive income. This business combination did not materially contribute to the total revenue of the Group.

In accordance with the accounting policy, the acquisition accounting for Registrar and Transfer Company (R&T), SG Vestia Systems Inc. (SG Vestia) and Probity have been finalised. Intangible assets of \$37.3 million for R&T, \$1.9 million for SG Vestia and \$0.6 million for Probity have been reclassified out of goodwill.

Post balance date, Computershare announced the acquisition of Gilardi & Co. LLC (Gilardi), a class actions claims administrator based in San Rafael, California, USA for maximum consideration of \$41 million should earnings thresholds be met. Gilardi is known for its strengths in securities and anti-trust class action claims administration and strongly complements Computershare's KCC business and its integrated suite of corporate restructuring, class action and legal document support solutions. Further details of the acquisition can be found in Computershare's Market Announcement of 28 August 2015 to the ASX. Details of the acquisition are expected to be finalised in the coming months.

## 8. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
Assets classified as held for sale		
Cash	<b>48,814</b>	49,132
Financial assets held for trading	<b>1,904</b>	6,468
Inventories	-	2,608
Other	<b>840</b>	496
<b>Total assets held for sale</b>	<b>51,558</b>	58,704
Liabilities directly associated with assets classified as held for sale		
Payables	<b>12,816</b>	22,901
Other	-	198
<b>Total liabilities held for sale</b>	<b>12,816</b>	23,099

The sale process of VEM Aktienbank AG (VEM), a corporate action bank located in Germany, was completed on 31 July 2015. Sale of the Russian registry business was agreed in the current financial year and the disposal process was completed on 17 July 2015. Consequently, VEM and Russia are classified as disposal groups held for sale as at 30 June 2015.

Assets and liabilities of VEM and Russia are carried at fair value less cost to sell and are presented separately within current assets and current liabilities in the consolidated statement of financial position.

A loss of \$5.2 million before tax resulting from the write down of the Russian registry business to fair value less cost to sell has been recognised in the direct services expense line of the consolidated statement of comprehensive income. There has been no adjustment to the carrying value of VEM in the current financial period. VEM's and Russia's results are included in the Continental Europe segment in note 4.

Post balance date, the disposal accounting for Russia and VEM has been finalised. A loss of \$18.8 million was recorded as a result of reclassification of the associated cumulative translation differences from the foreign currency translation reserve and will be reflected in the FY2016 results. The cumulative translation differences are only reclassified to profit or loss when the disposal process has been completed and control over a foreign subsidiary is lost.



# Notes to the Consolidated Financial Statements

## 9. INTANGIBLE ASSETS

	Goodwill \$000	Customer contracts and relationships \$000	Mortgage Servicing Rights \$000	Other \$000	Total \$000
<b>At 1 July 2014</b>					
Opening cost	1,739,395	665,364	64,048	149,016	2,617,823
Opening accumulated amortisation and impairment	-	(222,151)	(5,148)	(115,884)	(343,183)
<b>Opening net book amount</b>	<b>1,739,395</b>	<b>443,213</b>	<b>58,900</b>	<b>33,132</b>	<b>2,274,640</b>
Additions <sup>1</sup>	20,945	75,653	79,003	16,913	192,514
Disposals and asset write downs	(10,601)	(8,204)	-	(1,608)	(20,413)
Amortisation charge <sup>2</sup>	-	(70,719)	(13,572)	(19,440)	(103,731)
Impairment charge	(93,912)	-	-	-	(93,912)
Currency translation difference	(95,169)	(20,734)	-	(897)	(116,800)
<b>Closing net book amount</b>	<b>1,560,658</b>	<b>419,209</b>	<b>124,331</b>	<b>28,100</b>	<b>2,132,298</b>
<b>At 30 June 2015</b>					
Cost	1,560,658	625,109	143,051	86,395	2,415,213
Accumulated amortisation and impairment	-	(205,900)	(18,720)	(58,295)	(282,915)
<b>Closing net book amount</b>	<b>1,560,658</b>	<b>419,209</b>	<b>124,331</b>	<b>28,100</b>	<b>2,132,298</b>
<b>At 1 July 2013</b>					
Opening cost	1,698,714	687,323	-	151,388	2,537,425
Opening accumulated amortisation and impairment	-	(212,589)	-	(95,757)	(308,346)
<b>Opening net book amount</b>	<b>1,698,714</b>	<b>474,734</b>	<b>-</b>	<b>55,631</b>	<b>2,229,079</b>
Additions <sup>1</sup>	45,737	42,638	64,048	147	152,570
Disposals and asset write downs	(30,101)	(5,505)	-	(385)	(35,991)
Amortisation charge <sup>2</sup>	-	(72,242)	(5,148)	(23,923)	(101,313)
Currency translation difference	25,045	3,588	-	1,662	30,295
<b>Closing net book amount</b>	<b>1,739,395</b>	<b>443,213</b>	<b>58,900</b>	<b>33,132</b>	<b>2,274,640</b>
<b>At 30 June 2014</b>					
Cost	1,739,395	665,364	64,048	149,016	2,617,823
Accumulated amortisation and impairment	-	(222,151)	(5,148)	(115,884)	(343,183)
<b>Closing net book amount</b>	<b>1,739,395</b>	<b>443,213</b>	<b>58,900</b>	<b>33,132</b>	<b>2,274,640</b>

1 Additions relate to the recognition of intangible assets on business combinations and direct purchases as well as adjustments made on finalisation of acquisition accounting.

2 Amortisation charge is included within direct services expense in the statement of comprehensive income.

The acquired goodwill can be attributed to the expected future cash flows of the acquired businesses associated with the collective experience of management and staff and the synergies expected to be achieved as a result of the full integration into the Computershare Group. Other intangible assets include intellectual property, software and brands.

Where acquisitions have been made during the period, the Group has 12 months from the acquisition date in which to finalise the accounting, including the calculation of goodwill. Until the expiry of the 12 month period provisional amounts have been included in the consolidated results.

## Impairment test for goodwill

For the purpose of impairment testing, goodwill is allocated to cash generating units, or groups of cash generating units, expected to benefit from synergies of the business combination. As the Group continues to acquire operations and reorganise the way that operations are managed, reporting structures may change giving rise to a reassessment of cash generating units and/or the allocation of goodwill to those cash generating units.

The carrying amount of goodwill has been allocated to the following groups of cash generating units (CGUs) constituting some of the Group's operating segments:

	2015 \$000	2014 \$000
Asia	86,099	95,879
Australia and New Zealand	164,712	213,620
Canada	134,461	128,286
Continental Europe	29,093	33,609
United Kingdom, Channel Islands, Ireland and Africa (UCIA)	114,925	206,101
United States	1,031,368	1,061,900
	<b>1,560,658</b>	<b>1,739,395</b>

Under the impairment testing the carrying amount of each group of CGUs is compared with its recoverable amount. The recoverable amount is determined based on a value in use calculation for each group of CGUs to which goodwill has been allocated. The value in use calculation uses the discounted cash flow methodology for each CGU based upon five years of cash flows plus a terminal value.

## Key assumptions used for value in use calculations

Key assumptions used in the value in use calculations are described below for each group of CGUs with a significant amount of allocated goodwill. As there are a number of CGUs in most of the operating segments, presented below are weighted averages of the assumptions applied to individual CGUs.

Five year post tax cash flow projections are based upon approved budgets covering a one year period, with the subsequent periods based upon the Group's expectations of growth excluding the impact of possible future acquisitions, business improvement, capital expenditure and restructuring. The earnings growth rates applied beyond the initial five year period are as follows in 2015: Asia 3% (3% in 2014), Australia and New Zealand 3% (3% in 2014), Canada 3% (3% in 2014), Continental Europe 3% (3% in 2014), UCIA 3% (3% in 2014) and the United States 3% (3% in 2014).

In performing the value in use calculations for each CGU, the Group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The discount rates used reflect the risks specific to each CGU. The equivalent pre-tax discount rates are as follows: Asia 11.0% (11.1% in 2014), Australia and New Zealand 12.7% (13.2% in 2014), Canada 10.4% (11.1% in 2014), Continental Europe 9.8% (11.2% in 2014), UCIA 9.8% (10.8% in 2014) and United States 10.6% (10.6% in 2014).

## Impact of reasonably possible changes in key assumptions

As impairment testing is based on assumptions and judgements, the Group has considered changes in key assumptions. For all operating segments, the recoverable amount exceeds the carrying amount when testing for reasonably possible changes in key assumptions.

## Voucher Services impairment charge

On 30 July 2014, Computershare received notification from the UK Government that it had concluded its consultation process on the provision of childcare accounts within the new UK Tax-Free childcare scheme (the Scheme) and determined that National Savings and Investments, a government agency, will be the Scheme's account provider working in partnership with Her Majesty's Revenue and Customs. The Scheme is scheduled to commence in the first half of calendar year 2017.

As the implementation of the new Scheme will progressively reduce the earnings of Computershare's Voucher Services business, this CGU is expected to cease cash flow generation in the future. The related goodwill was therefore written down in December 2014 resulting in an impairment charge of \$109.5 million calculated as the difference between the value in use and the carrying amount of the business. A pre-tax discount rate of 19.1% was used in the value in use calculation. This charge is included under direct services in the expense section of the statement of comprehensive income. It is expected that the remaining goodwill associated with this business of \$32 million will be written off over the next few years. Voucher Services is part of the UCIA segment.

# Notes to the Consolidated Financial Statements

## 10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The significant estimates and assumptions made in the current financial year comprise assumptions made in acquisition accounting, goodwill impairment testing and income taxes, including the recoverability of tax losses.

Acquisition accounting requires that management make estimates around the valuation of certain non-monetary assets and liabilities within the acquired entities. These estimates have particular impact in terms of the valuation of intangible assets, contingent consideration and provisions. To the extent that these items are subject to determination during the initial 12 months after acquisition the variation to estimated value will be adjusted through goodwill. To the extent that determination occurs after 12 months, any variation will impact profit or loss in the relevant period (refer to notes 7 and 9).

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For more details on assumptions used in value in use calculations refer to note 9.

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome is different from the amounts that were initially recognised, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Group has recognised deferred tax assets relating to carried forward tax losses to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assumptions regarding future utilisation, and therefore the recognition of deferred tax assets, may change due to future operating performance and other factors.

## 11. FINANCIAL RISK MANAGEMENT

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Group's overall financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas such as currency risk management, interest rate risk management, counterparty risk management and the use of derivative financial instruments. Derivative financial instruments are used to manage specifically identified interest rate and foreign currency risks.

The Group Treasury function provides services to the business and monitors and manages the financial risks relating to the operations of the Group. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the regional treasury centres and reports regularly to the Board.

### Capital risk management objectives

The primary objective of the Group's capital management is to ensure that it minimises the working capital funding requirements through effective controls in order to support its businesses and maximise shareholder value.

A key financial ratio for the Group is net financial indebtedness to management earnings before interest, tax, depreciation and amortisation (EBITDA). Net debt is calculated as interest bearing liabilities less cash and cash equivalents.

	2015 \$000	2014 \$000
Interest bearing liabilities	1,769,104	1,659,254
Cash and cash equivalents*	(604,092)	(509,151)
Net debt	1,165,012	1,150,103
Management EBITDA (note 4)	554,092	540,574
Net debt to Management EBITDA	2.10	2.13

\*2015 includes \$48.8 million (2014: \$49.1 million) cash presented in assets classified as held for sale.

The Group manages its capital structure and makes adjustments to it in line with changes in economic conditions. To achieve its target capital structure, the Group may adjust the dividend payment to shareholders, conduct share buy-backs or issue new shares. No changes were made in the capital structure objectives or processes during the current financial year. For details of the on-market buy-back announcement post balance date refer to note 25.

### Fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, receivables, payables, non-interest bearing liabilities, finance leases and loans approximate their fair values for the Group except for the unhedged portion of USD Senior Notes of \$395.0 million (2014: \$450.0 million), where the fair value was \$410.9 million as at 30 June 2015 (2014: \$465.0 million).

## Financial risk factors

The key financial risk factors that arise from the Group's activities are outlined below.

### (a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The consolidated entity is exposed to interest rate risk through its primary financial assets and liabilities and as a result of maintaining agent and escrow agent bank accounts on behalf of clients. Given the nature of the client balances, neither the funds nor an offsetting liability are included in the Group's financial statements. Average client balances during the year approximated \$15.2 billion (2014: \$14.2 billion) and in relation to these balances, the consolidated entity has in place interest rate derivatives totalling \$2.1 billion notionally (2014: \$30.0 million).

The following table summarises the interest rate risk for the consolidated entity, together with effective interest rates as at the balance date.

As at 30 June 2015	Floating interest rate \$000	Fixed interest rate maturing in			Non-interest bearing \$000	Total \$000	Weighted average interest rate	
		1 year or less \$000	1 to 5 years \$000	More than 5 years \$000			Floating %	Fixed %
<b>Financial assets</b>								
Cash and cash equivalents <sup>1</sup>	604,092	-	-	-	-	604,092	0.74	-
Bank deposits	15,732	3,932	-	-	-	19,664	2.07	2.50
Trade receivables	-	-	-	-	197,925	197,925	-	-
Non trade receivables and loans	-	-	-	-	47,989	47,989	-	-
	<b>619,824</b>	<b>3,932</b>	<b>-</b>	<b>-</b>	<b>245,914</b>	<b>869,670</b>		
<b>Financial liabilities</b>								
Trade payables	-	-	-	-	21,062	21,062	-	-
Finance lease liabilities	-	6,052	34,337	-	-	40,389	-	5.74
Bank loan and other	166,753	-	-	-	-	166,753	2.31	-
Revolving syndicated bank facilities	736,527	-	-	-	-	736,527	2.24	-
USD Senior Notes <sup>2</sup>	-	-	366,000	440,000	-	806,000	-	4.73
Derivatives <sup>3</sup>	411,000	-	(136,000)	(275,000)	-	-	1.80	4.71
	<b>1,314,280</b>	<b>6,052</b>	<b>264,337</b>	<b>165,000</b>	<b>21,062</b>	<b>1,770,731</b>		
<b>As at 30 June 2014</b>								
<b>Financial assets</b>								
Cash and cash equivalents <sup>1</sup>	509,151	-	-	-	-	509,151	0.70	-
Trade receivables	-	-	-	-	198,279	198,279	-	-
Non trade receivables and loans	-	-	-	-	67,370	67,370	-	-
	<b>509,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265,649</b>	<b>774,800</b>		
<b>Financial liabilities</b>								
Trade payables	-	-	-	-	27,032	27,032	-	-
Finance lease liabilities	-	7,250	36,794	-	-	44,044	-	6.48
Bank loan and other	90,509	-	-	-	-	90,509	2.80	-
Revolving syndicated bank facilities	569,489	-	-	-	-	569,489	1.96	-
USD Senior Notes <sup>2</sup>	-	124,500	366,000	440,000	-	930,500	-	4.85
Derivatives <sup>3</sup>	480,500	(124,500)	(136,000)	(220,000)	-	-	1.48	4.93
	<b>1,140,498</b>	<b>7,250</b>	<b>266,794</b>	<b>220,000</b>	<b>27,032</b>	<b>1,661,574</b>		

1 Includes cash that is classified as an asset held for sale.

2 USD Senior Notes at cost, excluding fair value adjustments (refer to note 13).

3 Notional principal amounts.

## Notes to the Consolidated Financial Statements

The sensitivity of the profit and loss statement to interest rate movements is the effect of assumed reasonably possible changes in interest rates for one year, based on the on-balance sheet floating rate financial assets and liabilities as at 30 June 2015. The total sensitivity analysis is based on the assumption that there are parallel shifts in the yield curve. It does not take into account actions that the Group may take to mitigate the effect of changes in interest rates.

The Group's judgements of reasonably possible movements in interest rates have been based on a range of 100 basis point movement as at 30 June 2015 for all regions.

The sensitivity to a reasonably possible increase in interest rates, with all other variables held constant, of the statement of comprehensive income of the consolidated entity is a decrease to profit of \$0.6 million (2014: \$0.04 million decrease). This sensitivity calculation does not include the impact of client balances or the related derivatives. In a rising interest rate environment, client balances that earn interest income will result in an increase to profit.

The sensitivity to a reasonably possible decrease in interest rates, with all other variables held constant, of the statement of comprehensive income of the Group is an increase to profit of \$0.7 million (2014: \$0.3 million decrease). This sensitivity calculation does not include the impact of client balances or the related derivatives. In a falling interest rate environment, client balances that earn interest income will result in a decrease to profit.

Client balances have been excluded from the sensitivity analysis as they are not reflected in the Group's consolidated statement of financial position. Interest income is earned on these balances at various fixed and floating interest rates.

The above sensitivity analysis does not reflect the future impact on the profit and loss statement should the reasonably possible changes in interest rates occur. The calculations are based on balances held as at 30 June 2015.

### (b) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

Entities within the Group typically enter into external transactions and recognise external assets and liabilities that are denominated in their functional currency. Whilst a number of entities within the Group hold external bank account balances in a currency which is not their local functional currency, these balances do not expose the Group to significant foreign exchange risk.

Foreign exchange risk also arises from net investments in foreign operations held in Europe, Canada, South Africa and Asia Pacific. Accordingly, the Group's financial position can be affected significantly by movements in the relevant currency exchange rate when translating into the consolidated entity's presentation currency, the United States dollar. The consolidated entity also has debt that is designated as a hedge of the net investment in foreign operations. On consolidation, any foreign exchange gains or losses on these balances are transferred to the foreign currency translation reserve.

### (c) Credit risk

Credit exposure represents the extent of credit related losses that the consolidated entity may be subject to on amounts to be received from financial assets, which include receivables, cash and cash equivalents and other financial instruments. The consolidated entity, while exposed to credit related losses in the event of non-payment by clients, does not expect any significant clients to fail to meet their obligations. The Group's trading terms do not generally include the requirement for customers to provide collateral as security for financial assets and accordingly, the consolidated entity does not hold any collateral as security.

The consolidated entity's exposure to credit risk is as indicated by the carrying amounts of its financial assets. Concentrations of credit risk exist when clients have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The consolidated entity's concentration of credit risk is minimised due to transactions with a large number of clients in various countries and industries. The registry and plans sector transacts with various listed companies across a number of countries. The consolidated entity does not have a significant exposure to any individual client.

Transactions involving derivative financial instruments are with counterparties with whom the Group has signed International Swaps and Derivatives Association agreements and maintain sound credit arrangements. To supplement the credit ratings of counterparties the Group has a Board approved policy on managing client balance exposure.

#### (d) Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding. The Group has staggered its various debt maturities to reduce re-financing risk. Whilst impacted by acquisitions from time to time, the Group maintains sufficient cash balances and committed credit facilities to meet ongoing commitments.

Maturity information for the Group's debt facility is as follows:

Maturity profile (in the 12 months ending)	Debt facility utilised \$million
June 2016	166.9
June 2017	21.0
June 2018	485.0
June 2019	305.0
June 2020	291.5
June 2021	0.0
June 2022	220.0
June 2023	0.0
June 2024	220.0
<b>Total</b>	<b>1,709.4</b>

The Group had access to unutilised committed debt of \$5.0 million maturing in July 2017 and \$158.5 million maturing in July 2019.

#### Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings.

The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using the forward interest rates applicable at the end of the reporting period.

Contractual maturities of financial liabilities	Less than 1 year \$000	Between 1-5 years \$000	More than 5 years \$000	Total contractual cash flows \$000
<b>As at 30 June 2015</b>				
<b>Non-derivatives</b>				
Trade payables	21,062	-	-	21,062
Other payables	371,386	1,374	-	372,760
Borrowings (excluding finance leases)	166,753	1,102,528	440,000	1,709,281
Finance lease liabilities (undiscounted)	7,775	37,192	-	44,967
Put option liability	30,441	-	-	30,441
<b>Total non-derivatives</b>	<b>597,417</b>	<b>1,141,094</b>	<b>440,000</b>	<b>2,178,511</b>
<b>Derivatives</b>				
Net settled (interest rate swaps and options)	957	1,644	-	2,601
Gross settled (cross currency swaps)				
- (Inflow)	(275,631)	-	-	(275,631)
- Outflow	297,587	-	-	297,587
<b>Total derivatives</b>	<b>22,913</b>	<b>1,644</b>	<b>-</b>	<b>24,557</b>
<b>As at 30 June 2014</b>				
<b>Non-derivatives</b>				
Trade payables	27,032	-	-	27,032
Other payables	389,964	2,303	-	392,267
Borrowings (excluding finance leases)	218,959	935,487	440,000	1,594,446
Finance lease liabilities (undiscounted)	9,406	42,338	-	51,744
Put option liability	28,691	-	-	28,691
<b>Total non-derivatives</b>	<b>674,052</b>	<b>980,128</b>	<b>440,000</b>	<b>2,094,180</b>



## Notes to the Consolidated Financial Statements

### (e) Fair value measurements

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The measurement hierarchy used is as follows:

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period for identical assets and liabilities. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. This includes inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Such instruments include derivative financial instruments and the portion of borrowings included in the fair value hedge.

Specific valuation techniques used to value financial instruments are as follows:

- > Quoted market prices or dealer quotes are used for similar instruments.
- > The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- > The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- > The fair value of cross currency swaps is a combination of the fair value of forward foreign exchange contracts determined using forward exchange rates at the balance sheet date (for the final principal exchange) and the use of quoted market prices or dealer quotes for similar instruments (for the basis valuation).
- > The fair value of interest rate swaptions is calculated using the Black-Scholes formula and quoted market prices.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

**Level 3:** Valuation methodology of the asset or liability uses inputs that are not based on observable market data (unobservable inputs).

The following tables present the Group's financial assets and liabilities measured and recognised at fair value at 30 June 2015. The comparative figures are also presented below.

As at 30 June 2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>Assets</b>				
Financial assets held-for-trading	-	-	-	-
Derivative financial instruments	-	31,989	-	31,989
Available-for-sale financial assets	8,014	-	-	8,014
<b>Total assets</b>	<b>8,014</b>	<b>31,989</b>	<b>-</b>	<b>40,003</b>
<b>Liabilities</b>				
Borrowings	-	433,428	-	433,428
Derivative financial instruments	-	30,570	-	30,570
<b>Total liabilities</b>	<b>-</b>	<b>463,998</b>	<b>-</b>	<b>463,998</b>
<b>As at 30 June 2014</b>				
<b>Assets</b>				
Financial assets held-for-trading	547	-	-	547
Derivative financial instruments	-	28,667	-	28,667
Available-for-sale financial assets	8,978	-	-	8,978
<b>Total assets</b>	<b>9,525</b>	<b>28,667</b>	<b>-</b>	<b>38,192</b>
<b>Liabilities</b>				
Borrowings	-	507,070	-	507,070
<b>Total liabilities</b>	<b>-</b>	<b>507,070</b>	<b>-</b>	<b>507,070</b>

## 12. DERIVATIVE FINANCIAL INSTRUMENTS

	2015 \$000	2014 \$000
<b>Derivative assets</b>		
Current	750	4,603
Non-current	31,239	24,064
	<b>31,989</b>	<b>28,667</b>
<b>Derivative assets – current and non-current</b>		
Fair values of interest rate derivatives designated as cash flow hedges (a)	753	652
Fair values of interest rate derivatives designated as fair value hedges (b)	29,570	28,015
Fair value of derivatives for which hedge accounting has not been applied	1,666	-
<b>Total derivative assets</b>	<b>31,989</b>	<b>28,667</b>
<b>Derivative liabilities</b>		
Current	20,838	-
Non-current	9,732	-
	<b>30,570</b>	<b>-</b>
<b>Derivative liabilities – current and non-current</b>		
Fair values of interest rate derivatives designated as cash flow hedges (a)	1	-
Fair values of interest rate derivatives designated as fair value hedges (b)	-	-
Fair values of cross currency derivatives designated as hedge of net investment (c)	20,693	-
Fair value of derivatives for which hedge accounting has not been applied	9,876	-
<b>Total derivative liabilities</b>	<b>30,570</b>	<b>-</b>
(a) The gain or loss from remeasuring the designated cash flow hedging instruments at fair value is deferred in equity in the cash flow hedge reserve (note 26) to the extent that the hedge is effective and reclassified into profit or loss when the hedged income is recognised. The ineffective portion is recognised in the profit or loss immediately. In the year ended 30 June 2015, a gain of \$0.2 million was transferred to the profit or loss (30 June 2014: nil). A loss before tax of \$0.1 million was transferred to the statement of comprehensive income in the year ended 30 June 2015 (30 June 2014: a loss before tax of \$0.8 million).		
(b) The gain or loss from remeasuring the designated fair value hedging instruments at fair value is recognised immediately in the statement of comprehensive income. Refer to note 13 for further disclosure on the interest rate derivatives designated as fair value hedges.		
(c) The gain or loss from remeasuring the designated net investment hedging instruments at fair value is recognised in equity in the foreign currency translation reserve (note 26) to the extent that the hedge is effective. The ineffective portion is recognised in the profit or loss immediately. In the year ended 30 June 2015, a loss of \$0.9m was recognised in profit or loss (30 June 2014: nil).		

## 13. INTEREST BEARING LIABILITIES

	2015 \$000	2014 \$000
<b>Current</b>		
Bank loans	166,753	90,509
USD Senior Notes (b)	-	128,451
Lease liability – secured (c)	6,052	7,250
	<b>172,805</b>	<b>226,210</b>
<b>Non-current</b>		
Revolving syndicated bank facilities (a)	736,527	569,489
USD Senior Notes (b)	825,435	826,761
Lease liability – secured (c)	34,337	36,794
	<b>1,596,299</b>	<b>1,433,044</b>

- (a) The consolidated entity maintains revolving syndicated facilities that were executed on 17 July 2014. The first facility is a multi-currency facility of \$450.0 million maturing on 17 July 2017 and the second facility is a USD only facility of \$450.0 million maturing on 17 July 2019. The facilities were drawn to an equivalent of \$736.5 million at 30 June 2015. The facilities are subject to negative pledge undertakings and imposed certain covenants upon the consolidated entity.

## Notes to the Consolidated Financial Statements

(b) On 22 March 2005, Computershare US, a controlled entity, issued 52 notes in the United States with the total value of \$318.5 million. These notes were six, seven, ten and twelve years in tenor and were issued at fair value, with no premium or discount. The six and seven year notes with a total value of \$173 million were repaid in prior years. The ten year notes with a total value of \$124.5 million were repaid during the 2015 financial year. The remaining notes outstanding as at 30 June 2015 are twelve years notes with a total value of \$21 million.

On 29 July 2008, Computershare US issued a further 26 notes in the United States with a total value of \$235.0 million. These notes were for a tenor of ten years. On 9 February 2012, Computershare Investor Services Inc, a controlled entity, issued 62 notes in the United States with a total value of \$550.0 million. These notes were for tenors of six, seven, ten and twelve years.

Fixed interest is paid on all the issued notes on a semi-annual basis. The consolidated entity uses interest rate derivatives to manage the fixed interest exposure.

The following table provides a reconciliation of the USD Senior Notes.

	2015 \$000	2014 \$000
<b>USD Senior Notes Reconciliation</b>		
USD Senior Notes at cost	806,000	930,500
Fair value adjustments	19,435	24,712
<b>Total net debt</b>	<b>825,435</b>	<b>955,212</b>
Interest rate derivative (asset) – fair value hedge (note 12)	(29,570)	(28,015)
<b>Total</b>	<b>795,865</b>	<b>927,197</b>

Fair value adjustments represent loan origination fees and the revaluation of the hedged portion of the USD Senior Notes. Hedged USD Senior Notes were \$411.0 million as at 30 June 2015 (2014: \$480.5 million).

The gain or loss from re-measuring the hedging instruments (interest rate derivatives) at fair value is recognised immediately in the statement of comprehensive income along with the change in fair value of the underlying hedged item (USD Senior Notes).

The fair value adjustment of the hedged USD Senior Notes reflects the valuation change due to lower market interest rates at balance sheet date for the term until maturity. The increase is offset by the asset representing the fair value of interest rate derivatives used to effectively convert the USD fixed interest rate notes to floating interest rates. The conversion to floating interest rate using derivatives provides a hedge against the Group's USD margin income exposure to floating interest rates.

(c) The lease liability is secured directly against the assets to which the leases relate (note 35).

### 14. RECEIVABLES

	2015 \$000	2014 \$000
<b>Current</b>		
Trade receivables	205,126	206,321
Less: provision for doubtful debts	(7,201)	(8,042)
Trade receivables (net)	197,925	198,279
Accrued revenue	115,271	108,796
Other non-trade amounts	47,989	67,370
	<b>361,185</b>	<b>374,445</b>
<b>Non-current</b>		
Other	972	2,612
	<b>972</b>	<b>2,612</b>

## Bad and doubtful trade receivables

Trade receivables are considered impaired where there is objective evidence that the Group will not be able to collect all amounts due according to the original trade and other receivable terms. Terms of trade in relation to credit sales are on a weighted average of 30 days from the date of invoice. Factors considered when determining if impairment exists include ageing and timing of expected receipts and the creditworthiness of counterparties.

The Group has recognised a loss of \$3.6 million (2014: \$1.4 million) in respect of bad trade receivables during the year ended 30 June 2015. The loss has been included in the 'direct services expense' and 'technology costs' lines in the statement of comprehensive income.

The analysis of trade receivables for the consolidated entity that were past due but not impaired is as follows:

	Neither past due nor impaired \$000	Past due but not impaired			Total \$000
		Less than 30 days overdue \$000	More than 30 days but less than 90 days overdue \$000	More than 90 days overdue \$000	
30 June 2015	135,193	37,865	18,471	6,396	197,925
30 June 2014	145,684	31,477	14,495	6,623	198,279

All other receivables do not contain impaired assets and are not past due.

## 15. OTHER FINANCIAL ASSETS

	2015 \$000	2014 \$000
<b>Current</b>		
Broker client deposits*	22,656	20,357
Loan servicing advances**	187,001	142,481
	<b>209,657</b>	<b>162,838</b>

\* An overseas entity is a licensed deposit taker. As at year end this controlled entity has accepted deposits in its own name, and recorded these funds as other financial assets together with a corresponding liability (note 20). The deposits are insured through a local regulatory authority.

\*\*An overseas entity regularly makes payments on behalf of mortgagors related to taxes, insurance, principal and interest. The receivable represents the total value of these payments yet to be recovered.

## 16. INVENTORIES

	2015 \$000	2014 \$000
Raw materials and stores, at cost	4,742	5,477
Work in progress, at cost	111	153
	<b>4,853</b>	<b>5,630</b>

## 17. OTHER CURRENT ASSETS

Prepayments	29,098	34,917
Other	4,264	-
	<b>33,362</b>	<b>34,917</b>

## 18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

<b>Current</b>		
Debt securities	588	-
Equity securities	32	246
	<b>620</b>	<b>246</b>
<b>Non-current</b>		
Equity securities	7,394	8,732

## Notes to the Consolidated Financial Statements

### 19. PROPERTY, PLANT AND EQUIPMENT

	Land \$000	Building, freehold and leasehold \$000	Plant and Equipment owned and leased \$000	Fixtures and Fittings \$000	Motor Vehicles \$000	Leasehold improvements \$000	Total \$000
<b>At 1 July 2014</b>							
Opening net book amount	25,186	60,979	53,333	11,226	320	25,129	176,173
Acquisition of entities and businesses		–	4,159	145	29	–	4,333
Additions	–	690	29,147	2,289	–	6,780	38,906
Disposals	–	(56)	(296)	(176)	–	(31)	(559)
Depreciation charge	–	(2,487)	(28,517)	(3,403)	(142)	(6,519)	(41,068)
Currency translation differences	(3,186)	(7,341)	(4,120)	(668)	(93)	(1,270)	(16,678)
Transfers and other	–	147	24	9	(30)	(150)	–
<b>Closing net book amount</b>	<b>22,000</b>	<b>51,932</b>	<b>53,730</b>	<b>9,422</b>	<b>84</b>	<b>23,939</b>	<b>161,107</b>
Cost	22,000	66,674	321,261	41,702	1,003	53,001	505,641
Accumulated depreciation	–	(14,742)	(267,531)	(32,280)	(919)	(29,062)	(344,534)
<b>At 30 June 2015</b>	<b>22,000</b>	<b>51,932</b>	<b>53,730</b>	<b>9,422</b>	<b>84</b>	<b>23,939</b>	<b>161,107</b>
<b>At 1 July 2013</b>							
Opening net book amount	23,596	58,249	63,296	13,459	385	28,888	187,873
Acquisition of entities and businesses		–	300	28	–	42	370
Additions	–	649	17,402	817	100	2,236	21,204
Disposals	–	(64)	(86)	(94)	(14)	(88)	(346)
Depreciation charge	–	(2,341)	(26,736)	(3,972)	(179)	(5,533)	(38,761)
Currency translation differences	1,590	4,766	(745)	988	29	(416)	6,212
Transfers and other	–	(280)	(98)	–	(1)	–	(379)
<b>Closing net book amount</b>	<b>25,186</b>	<b>60,979</b>	<b>53,333</b>	<b>11,226</b>	<b>320</b>	<b>25,129</b>	<b>176,173</b>
Cost	25,186	75,211	288,643	38,854	1,213	49,786	478,893
Accumulated depreciation	–	(14,232)	(235,310)	(27,628)	(893)	(24,657)	(302,720)
<b>At 30 June 2014</b>	<b>25,186</b>	<b>60,979</b>	<b>53,333</b>	<b>11,226</b>	<b>320</b>	<b>25,129</b>	<b>176,173</b>

The following classes of assets include carrying amounts where the Group is a lessee under a finance lease:

	2015 \$000	2014 \$000
<b>Leased assets</b>		
Land	9,264	11,379
Building, freehold and leasehold	16,675	20,423
Plant and equipment owned and leased	3,724	5,945
	<b>29,663</b>	<b>37,747</b>

## 20. PAYABLES

	2015 \$000	2014 \$000
<b>Current</b>		
Trade payables – unsecured	21,063	27,032
GST/VAT payable	14,566	23,578
Employee entitlements	15,169	18,457
Broker client deposits (note 15)	22,656	20,357
Other creditors and accruals	301,487	298,795
Other payables	17,507	28,777
	<b>392,448</b>	<b>416,996</b>
<b>Non-current</b>		
Other payables	1,374	2,303
	<b>1,374</b>	<b>2,303</b>

## 21. PROVISIONS

<b>Current</b>		
Restructuring	8,510	12,377
Acquisitions related	8,488	17,129
Tax related	7,587	10,744
Lease related	4,014	5,115
Other	15,632	17,052
	<b>44,231</b>	<b>62,417</b>
<b>Non-current</b>		
Employee entitlements	14,900	17,844
Acquisitions related	15,530	17,598
Other	1,118	1,517
	<b>31,548</b>	<b>36,959</b>

Movements in each class of current provision during the financial year, other than employee entitlements, are set out below.

	Restructuring \$000	Acquisitions related \$000	Tax related \$000	Lease related \$000	Other \$000	Total \$000
Carrying amount at start of year	12,377	17,129	10,744	5,115	17,052	62,417
Additions	7,586	39	-	1,757	11,184	20,566
Payments	(11,634)	(4,373)	(3,157)	(1,982)	(1,379)	(22,525)
Reversals	(214)	(4,368)	-	-	(10,647)	(15,229)
Transfers and other	854	780	-	(102)	675	2,207
Foreign exchange movements	(459)	(719)	-	(774)	(1,253)	(3,205)
<b>Carrying amount at end of year</b>	<b>8,510</b>	<b>8,488</b>	<b>7,587</b>	<b>4,014</b>	<b>15,632</b>	<b>44,231</b>

Movements in each class of non-current provision during the financial year, other than employee entitlements, are set out below.

	Restructuring \$000	Acquisitions related \$000	Other \$000	Total \$000
Carrying amount at start of year	12,065	5,533	1,517	19,115
Additional provisions recognised through profit or loss	-	-	13	13
Transfers and other	(442)	(1,626)	(412)	(2,480)
<b>Carrying amount at end of year</b>	<b>11,623</b>	<b>3,907</b>	<b>1,118</b>	<b>16,648</b>



## Notes to the Consolidated Financial Statements

### 22. DEFERRED CONSIDERATION

	2015 \$000	2014 \$000
<b>Current</b>		
Deferred settlements on acquisition of entities	6,585	33,833
<b>Non-current</b>		
Deferred settlements on acquisition of entities	4,869	6,854

Non-current deferred settlements on acquisition of entities are payable between one and five years.

### 23. OTHER LIABILITIES

<b>Current</b>		
Put option liability (a)	30,441	28,690
Lease inducements (b)	1,098	1,425
Other (c)	12,998	8,831
	<b>44,537</b>	<b>38,946</b>
<b>Non-current</b>		
Lease inducements (b)	3,497	4,769
Other (c)	38,288	30,262
	<b>41,785</b>	<b>35,031</b>

(a) Non-controlling interest shareholders of Computershare's Indian subsidiary (Karvy Computershare Private Limited) have an option to sell their shareholding to Computershare. The put option liability reflects Computershare's obligation to pay should this option be exercised.

(b) Lease inducements represent cash payments received as allowances for leasehold improvements made to the premises. These receipts are accounted for as reductions in rental expenses over the terms of the leases.

(c) Other liabilities represent a portion of the economic benefits of mortgage servicing rights recognised under intangible assets that has been transferred to third parties.

### 24. INTERESTS IN EQUITY

	Members of the parent entity		Non-controlling interests	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Interest in the equity of the consolidated entity:				
Contributed equity – ordinary shares	35,703	35,703	785	740
Reserves	(19,362)	84,240	(5,302)	(4,033)
Retained earnings	1,147,906	1,134,305	17,911	16,257
<b>Total interests in equity</b>	<b>1,164,247</b>	<b>1,254,248</b>	<b>13,394</b>	<b>12,964</b>

### 25. CONTRIBUTED EQUITY

	2015 \$000	2014 \$000
<b>Contributed equity</b>		
Balance at the beginning of the financial year	35,703	35,703
<b>Balance at the end of the financial year</b>	<b>35,703</b>	<b>35,703</b>

#### Movement in shares held by the public

Opening number of shares	556,203,079	556,203,079
Closing number of shares	556,203,079	556,203,079

There are no restrictions on ordinary shares.

## Dividend reinvestment plan

Computershare operates a Dividend Reinvestment Plan (DRP) which provides eligible shareholders with the opportunity to elect to take all or part of their dividends in the form of shares in accordance with the DRP plan rules. Shares are provided under the plan free of brokerage and other transaction costs and rank equally with all other ordinary shares on issue.

## Share buy-back

The consolidated entity had no on-market buy-back in operation during the year ended 30 June 2015 (2014: nil).

On 18 August 2015, Computershare announced an on-market buy-back of shares with an aggregate value of up to AUD 140.0 million for capital management purposes. The buy-back commenced in September 2015.

## Employee share plans and options

Refer to note 40 for employee and executive share plan details. There are no shares reserved for issuance under options.

## 26. RESERVES

	2015 \$000	2014 \$000
Capital redemption reserve	2	2
Foreign currency translation reserve	(35,670)	54,865
Cash flow hedge reserve	(4,464)	(4,654)
Share based payments reserve	45,144	58,116
Equity related consideration	(8,199)	(8,199)
Available-for-sale asset reserve	329	320
Transactions with non-controlling interests	(16,504)	(16,210)
	<b>(19,362)</b>	<b>84,240</b>
<b>Movements during the year:</b>		
<b>Foreign currency translation reserve</b>		
Opening balance	54,865	33,630
Translation of controlled entities	(105,255)	19,107
Deferred tax	14,720	2,128
Closing balance	(35,670)	54,865
<b>Cash flow hedge reserve</b>		
Opening balance	(4,654)	(3,911)
Revaluation – gross	(53)	(791)
Deferred tax	243	48
Closing balance	(4,464)	(4,654)
<b>Share based payments reserve</b>		
Opening balance	58,116	52,481
Cash purchase of shares for employee and executive share plans	(27,971)	(13,582)
Share based payments expense	14,999	19,217
Closing balance	45,144	58,116
<b>Equity related contingent consideration reserve</b>		
Opening balance	(8,199)	(8,780)
Acquisition related consideration	-	581
Closing balance	(8,199)	(8,199)
<b>Available-for-sale asset reserve</b>		
Opening balance	320	1,219
Revaluation – gross	9	(864)
Transfer to statement of comprehensive income	-	(35)
Closing balance	329	320
<b>Transactions with non-controlling interests</b>		
Opening balance	(16,210)	(15,731)
Transfer from non-controlling interests	(294)	(479)
Closing balance	(16,504)	(16,210)

# Notes to the Consolidated Financial Statements

## Nature and purpose of reserves

### (a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 42. This amount is the net of gains and losses on hedge transactions and intercompany loans after adjusting for related income tax effects. The reserve is recognised in the profit or loss when the net investment is disposed of.

### (b) Cash flow hedge reserve

The hedging reserve is used to record gains and losses on a hedging instrument in a cash flow hedge that are recognised directly in other comprehensive income, as described in note 42.

### (c) Share based payments reserve

The share based payments reserve is used to recognise the fair value of shares which will vest to employees under employee and executive share plans. This reserve is also used to record cash purchase of shares for employee share plans.

### (d) Equity related contingent consideration reserve

This reserve is used to reflect deferred consideration for acquisitions which is payable through the issue of parent entity equity instruments.

### (e) Available for sale asset reserve

Changes in fair value of investments, such as equities, classified as available for sale financial assets after adjusting for related income tax effects are taken to this reserve in accordance with note 42.

### (f) Transactions with non-controlling interests

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

## 27. RETAINED EARNINGS AND DIVIDENDS

	2015 \$000	2014 \$000
<b>Retained earnings</b>		
Retained earnings at the beginning of the financial year	1,134,305	1,025,231
Ordinary dividends provided for or paid	(139,975)	(142,327)
Net profit attributable to members of Computershare Limited	153,576	251,401
<b>Retained earnings at the end of the financial year</b>	<b>1,147,906</b>	<b>1,134,305</b>
<b>Dividends</b>		
Ordinary		
Dividends paid during the financial year in respect of the previous year, AUD 15 cents per share franked to 20% (2014 – AUD 14 cents per share franked to 20%)	69,987	71,163
Dividends paid in respect of the current financial year ended June 2015, AUD 15 cents per share franked to 20% (2014 – AUD 14 cents per share franked to 20%)	69,987	71,163
<b>Dividend franking account</b>		
Franking credits available for subsequent financial years based on a tax rate of 30%	27,153	23,772

## 28. DETAILS OF CONTROLLED ENTITIES

The financial year-end of all controlled entities is 30 June with the exception of Computershare Canada Inc and its controlled entities, Computershare Hong Kong Investor Services Limited and its controlled entities, Computershare International Information Consultancy Services (Beijing) Company Ltd, Closed Joint Stock Company Computershare Registrar, ZAO Edinyi Registrator, Computershare LLC and Karvy Computershare Pty Limited due to local statutory reporting requirements. These entities prepare results on a 30 June year end basis for consolidation purposes. Voting power is in accordance with the ownership interest held unless otherwise stated.

The consolidated financial statements as at 30 June 2015 include the following controlled entities:

Name of controlled entity	Place of incorporation		Percentage of shares held	
			2015 %	2014 %
Computershare Limited	Australia	(2)	-	-
A.C.N. 080 903 957 Pty Ltd	Australia	(1)(2)	100	100
CDS International Pty Limited	Australia	(1)(2)	100	100
Computershare Communication Services Pty Limited	Australia	(1)(2)	100	100
Global eDelivery Group Pty Ltd	Australia	(1)	100	100
Communication Services Australia Pty Limited	Australia	(1)(2)	100	100
Q M Industries (N.S.W.) Pty. Ltd.	Australia	(1)	100	100
A.C.N. 081 035 752 Pty Ltd	Australia	(1)(2)	100	100
Georgeson Shareholder Communications Australia Pty. Ltd.	Australia	(1)	100	100
Source One Communications Australia Pty Ltd	Australia	(1)	100	100
Computershare Finance Company Pty Limited	Australia	(1)(2)	100	100
Financial Market Software Consultants Pty Ltd	Australia	(1)	100	100
Computershare Dealing Services Pty Ltd	Australia	(1)	100	100
Obadele Pty Ltd	Australia	(1)(2)	100	100
Computershare Clearing Pty Limited	Australia	(1)	100	100
Computershare Depository Pty Limited	Australia	(1)	100	100
Computershare Technology Services Pty Ltd	Australia	(1)(2)	100	100
Registrars Holding Pty Ltd	Australia	(1)(2)	100	100
Computershare Investor Services Pty Limited	Australia	(1)(2)	100	100
CRS Custodian Pty Ltd	Australia	(1)	100	100
Computershare Plan Managers Pty Ltd	Australia	(1)	100	100
Computershare Plan Co Pty Ltd	Australia	(1)	100	100
CPU Share Plans Pty Limited	Australia	(1)	100	100
Sepon (Australia) Pty Limited	Australia	(1)	100	100
Serviceworks Management Pty Ltd	Australia	(1)(2)	100	100
ConnectNow Pty Ltd	Australia	(1)(5)	-	100
Switchwise Pty Ltd	Australia	(1)	100	100
Karvy Computershare W.L.L	Bahrain	(3)	50	45
Georgeson Shareholder Communications Canada Inc	Canada	(1)	100	100
GSC Shareholder Services Inc	Canada	(1)	100	100
Computershare Canada Inc	Canada	(1)	100	100
Computershare Trust Company of Canada	Canada	(1)	100	100
Computershare Services Canada Inc	Canada	(1)	100	100
Computershare Technology Services Inc	Canada	(1)	100	100
Computershare Investor Services Inc	Canada	(1)	100	100
Computershare Governance Services Ltd	Canada	(1)	100	100
Computershare Investments (Canada) (Holdings) ULC	Canada	(1)	100	100
Computershare Investments (Canada) (No.1) ULC	Canada	(1)	100	100
Computershare Investments (Canada) (No.2) ULC	Canada	(1)	100	100
Computershare Investments (Canada) (No.3) ULC	Canada	(1)	100	100
Computershare Investments (Canada) (No.4) ULC	Canada	(1)	100	100
SG Vestia Systems Inc.	Canada	(1)(5)	-	100

## Notes to the Consolidated Financial Statements

Name of controlled entity	Place of incorporation		Percentage of shares held	
			2015 %	2014 %
Computershare International Information Consultancy Services (Beijing) Company Ltd	China	(1)	100	100
Computershare A/S	Denmark	(1)	100	100
Georgeson Shareholder SAS	France	(1)	100	100
Computershare Communication Services GmbH	Germany	(1)	100	100
Computershare Governance Services GmbH	Germany	(1)	100	100
Computershare Verwaltungs GmbH	Germany	(1)	100	100
Computershare Deutschland GmbH & Co. KG	Germany	(1)	100	100
VEM Aktienbank AG	Germany	(1)	100	100
Grundstücksentwicklungs Gesellschaft "Am Schönberg" GmbH	Germany	(1)	100	100
Computershare Investor Services (Guernsey) Limited	Guernsey	(1)	100	100
Computershare Hong Kong Investor Services Limited	Hong Kong	(1)	100	100
Hong Kong Registrars Limited	Hong Kong	(1)	100	100
Computershare Asia Limited	Hong Kong	(1)	100	100
Computershare Hong Kong Trustees Limited	Hong Kong	(1)	100	100
Computershare Hong Kong Nominees Limited	Hong Kong	(1)	100	100
Computershare Hong Kong Development Limited	Hong Kong	(1)	100	100
Karvy Computershare Private Limited	India	(3)	50	50
Computershare Investor Services (Ireland) Limited	Ireland	(1)	100	100
Computershare Trustees (Ireland) Limited	Ireland	(1)	100	100
Computershare Governance Services Limited	Ireland	(1)	100	100
Computershare Finance Ireland Limited	Ireland	(1)	100	100
Computershare Services Nominees (Ireland) Limited	Ireland	(1)	100	100
HML Mortgage Services Ireland Limited	Ireland	(1)(4)	100	-
Specialist Mortgage Services Ireland Limited	Ireland	(1)(4)	100	-
Computershare Investor Services (IOM) Limited	Isle of Man	(1)	100	100
Proxitalia S.r.l.	Italy	(1)	100	100
Georgeson S.r.l.	Italy	(1)	100	100
Computershare Italy S.r.l.	Italy	(1)	100	100
Computershare S.p.A.	Italy	(1)	100	100
Istifid S.p.A.	Italy	(1)(4)	100	-
Computershare Offshore Services Limited	Jersey	(1)	100	100
Computershare Trustees (C.I.) Limited	Jersey	(1)	100	100
Computershare Nominees (Channel Islands) Limited	Jersey	(1)	100	100
Computershare Investor Services (Jersey) Limited	Jersey	(1)	100	100
Computershare DR Nominees Limited	Jersey	(1)	100	100
Computershare Trustees (Jersey) Limited	Jersey	(1)	100	100
EES Nominees International Limited	Jersey	(1)	100	100
Computershare Systems (NZ) Limited	New Zealand	(1)	100	100
Computershare Investor Services Ltd	New Zealand	(1)	100	100
Computershare Nominees NZ Limited	New Zealand	(1)	100	100
CRS Nominees Ltd	New Zealand	(1)	100	100
Sharemart NZ Ltd	New Zealand	(1)	100	100
CPU (NZ) Share Plans Limited	New Zealand	(1)	100	100
ConnectNow New Zealand Limited	New Zealand	(1)	100	100
Closed Joint Stock Company <<Computershare Registrar>>	Russia	(1)	100	100
Computershare LLC	Russia	(1)	100	100
Registrar Nikoil Company (JSC)	Russia	(1)(5)	-	100
ZAO <<Ediniy Registrator>>	Russia	(1)	98	98

Name of controlled entity	Place of incorporation		Percentage of shares held	
			2015 %	2014 %
Computershare South Africa (Pty) Ltd	South Africa	(1)	74	74
Computershare Ltd (South Africa)	South Africa	(1)	74	74
Computershare Outsourcing Limited	South Africa	(1)	74	74
Minu Limited	South Africa	(1)	74	74
Computershare Investor Services Limited	South Africa	(1)	74	74
Computershare Investor Services Pty Ltd	South Africa	(1)	74	74
CIS Company Secretaries Pty Ltd	South Africa	(1)	74	74
Computershare Nominees Pty Ltd	South Africa	(1)	74	74
Georgeson S.I	Spain	(1)	100	100
Computershare AB	Sweden	(1)	100	100
Computershare Governance Services (UK) Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.2) Limited	United Kingdom	(1)	100	100
Computershare Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) Limited	United Kingdom	(1)	100	100
Computershare Technology Services (UK) Limited	United Kingdom	(1)	100	100
Computershare Trustees Limited	United Kingdom	(1)	100	100
Computershare Registry Services Limited	United Kingdom	(1)	100	100
Computershare Investor Services PLC	United Kingdom	(1)	100	100
Georgeson Shareholder Communications Limited	United Kingdom	(1)(5)	-	100
Computershare Investments (UK) (No.3) Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.4) Limited	United Kingdom	(1)(5)	-	100
NRC Investments (UK) Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.5) Limited	United Kingdom	(1)	100	100
Computershare (Russia) Limited	United Kingdom	(1)	100	100
Legotla Investments (UK) Limited	United Kingdom	(1)	100	100
EES Corporate Trustees Limited	United Kingdom	(1)	100	100
EES Services (UK) Limited	United Kingdom	(1)	100	100
EES Trustees Limited	United Kingdom	(1)	100	100
EES Capital Trustees Limited	United Kingdom	(1)	100	100
Pathbold Limited	United Kingdom	(1)	100	100
Computershare Voucher Services Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.6) Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.7) Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.8) Limited	United Kingdom	(1)	100	100
Computershare Investments (UK) (No.9) Limited	United Kingdom	(1)	100	100
Computershare Investor Services (Bermuda) Limited	United Kingdom	(1)	100	100
Computershare Investor Services (British Virign Islands) Limited	United Kingdom	(1)	100	100
Computershare Investor Services (Cayman) Limited	United Kingdom	(1)	100	100
Computershare Company Nominees Limited	United Kingdom	(1)	100	100
Computershare PEP Nominees Limited	United Kingdom	(1)	100	100
Computershare Services Nominees Limited	United Kingdom	(1)	100	100
Baseline Capital Limited	United Kingdom	(1)(4)	100	-
Homeloan Management Limited	United Kingdom	(1)(4)	100	-
Specialist Mortgage Services Limited	United Kingdom	(1)(4)	100	-
Topaz Finance Limited	United Kingdom	(1)(4)	100	-
KB Analytics Limited	United Kingdom	(1)(4)	100	-
Mortgage Systems Limited	United Kingdom	(1)(4)	100	-
Savings Management Limited	United Kingdom	(1)(4)	100	-

## Notes to the Consolidated Financial Statements

Name of controlled entity	Place of incorporation		Percentage of shares held	
			2015 %	2014 %
Computershare Finance LLC	United States of America	(1)	100	100
Computershare Governance Services Inc.	United States of America	(1)	100	100
Georgeson International Inc.	United States of America	(1)(5)	-	100
Computershare US	United States of America	(1)	100	100
Georgeson Inc.	United States of America	(1)	100	100
Georgeson Securities Corporation	United States of America	(1)	100	100
Computershare US Services Inc.	United States of America	(1)	100	100
Computershare Technology Services, Inc.	United States of America	(1)	100	100
Computershare Trust Company, N.A.	United States of America	(1)	100	100
Computershare Financial Services, Inc.	United States of America	(1)(5)	-	100
Computershare Investor Services, LLC	United States of America	(1)(5)	-	100
Georgeson Shareholder Analytics LLC	United States of America	(1)(5)	-	100
Computershare Communication Services Inc.	United States of America	(1)	100	100
Computershare Inc.	United States of America	(1)	100	100
Administar Services Group LLC	United States of America	(1)	100	100
Alpine Fiduciary Services Inc.	United States of America	(1)(5)	-	100
Kurtzman Carson Consultants, LLC	United States of America	(1)	100	100
Kurtzman Carson Consultants Inc.	United States of America	(1)	100	100
KCC Class Action Services LLC	United States of America	(1)	100	100
Registrar and Transfer Company	United States of America	(1)(5)	-	100
Eagle Rock Proxy Advisors, LLC	United States of America	(1)(5)	-	100
Commerce Financial Printers Corp.	United States of America	(1)(5)	-	100
R&T Financial Services, Inc.	United States of America	(1)(5)	-	100
Registrar and Transfer Corporation – New York	United States of America	(1)(5)	-	100
MSR Robin Advances (Depositor) LLC	United States of America	(1)(4)	100	-
MSR Robin Advances Issuer Trust	United States of America	(1)(4)	100	-
RCNG LLC	United States of America	(1)(4)	100	-
Rosenthal & Company, LLC	United States of America	(1)	100	100
Specialized Loan Servicing Holdings LLC	United States of America	(1)	100	100
Specialized Loan Servicing LLC	United States of America	(1)	100	100
SLS Funding III LLC	United States of America	(1)	100	100
SLS Investco LLC	United States of America	(1)	100	100
SLS Servicer Advance Revolving Trust 1	United States of America	(1)	100	100
HELOC Funding II Trust	United States of America	(1)	100	100
Specialized Default Services LLC	United States of America	(1)	100	100
Specialized Asset Management LLC	United States of America	(1)	100	100
Specialized Title Services LLC	United States of America	(1)	100	100
Computershare Holdings Inc.	United States of America	(1)	100	100
Computershare Holdings LLC	United States of America	(1)	100	100
Settlement Recovery Group LLC	United States of America	(1)	100	100
GTU Ops Inc.	United States of America	(1)	100	100

(1) Controlled entities audited by PricewaterhouseCoopers member firms.

(2) These wholly owned companies have entered into a deed of cross guarantee dated 26 June 2008 with Computershare Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on the winding-up of that company. As a result of a Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission, these companies are relieved from the requirement to prepare financial statements.

(3) These companies are controlled entities as Computershare Limited is exposed to, or has rights to, variable returns from its involvement with these companies and has the ability to affect those returns through its power over these companies.

(4) These companies became controlled entities during the year ended 30 June 2015.

(5) These companies ceased to be controlled entities during the year ended 30 June 2015.



## 29. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2015 \$000	2014 \$000
Interests in associates (note 30)	30,038	35,052
Interests in joint ventures (note 31)	1,558	1,761
	<b>31,596</b>	<b>36,813</b>

## 30. ASSOCIATES

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			June 2015 %	June 2014 %	June 2015 \$000	June 2014 \$000
Expandi Ltd	United Kingdom	Investor Services	25	25	6,226	6,253
Milestone Group Pty Ltd	Australia	Technology Services	20	20	6,004	8,118
The Reach Agency Pty Ltd	Australia	Investor Services	49	49	1,068	1,411
INVeSHARE Inc.	United States	Investor Services	40	40	16,713	19,234
Mergit s.r.l.	Italy	Technology Services	30	30	27	36
<b>Total investments in associates</b>					<b>30,038</b>	<b>35,052</b>

	2015 \$000	2014 \$000
<b>Movements in carrying value of investments in associates</b>		
Carrying amount at the beginning of the financial year	35,052	23,757
Investments acquired during the year	-	10,058
Investments disposed of during the year	-	(465)
Share of net result (after income tax)	(2,617)	1,313
Dividends received	(206)	(448)
Share of movement in reserves during the financial year	(2,191)	837
Carrying amount at the end of the financial year	<b>30,038</b>	<b>35,052</b>

### Share of associates capital expenditure commitments

There are no material expenditure commitments in respect of associates at balance date.

### Share of associates contingent liabilities

There are no material contingent liabilities in respect of associates at balance date.

## Notes to the Consolidated Financial Statements

### 31. JOINT VENTURES

Details of interests in joint ventures are as follows:

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			June 2015 %	June 2014 %	June 2015 \$000	June 2014 \$000
Japan Shareholder Services Ltd	Japan	Technology Services	50	50	1,415	1,518
Computershare Pan Africa Holdings Ltd	Mauritius	Investor Services	60	60	-	-
Computershare Pan Africa Ghana Ltd	Ghana	Investor Services	60	60	-	-
Computershare Pan Africa Nominees Ghana Ltd	Ghana	Investor Services	60	60	-	-
Asset Checker Ltd	United Kingdom	Investor Services	50	50	-	-
VisEq GmbH	Germany	Investor Services	66	66	143	243
Digital Post Australia Pty Limited*	Australia	Technology Services	-	80	-	-
<b>Total investment in joint ventures</b>					<b>1,558</b>	<b>1,761</b>

\*Digital Post Australia Pty Limited is in the process of liquidation in the current reporting period.

	2015 \$000	2014 \$000
<b>Movement in carrying amount of investment in joint ventures</b>		
Carrying amount at the beginning of the financial year	1,761	4,741
Investments written-down during the year	-	(374)
Share of net result of joint ventures (after income tax)	301	(2,425)
Dividends received	(151)	(181)
Share of movement in reserves during the financial year	(353)	-
Carrying amount at the end of the financial year	<b>1,558</b>	<b>1,761</b>

#### Share of joint venture capital expenditure commitments

There are no material capital expenditure commitments in respect of joint ventures at balance date.

#### Share of joint venture contingent liabilities

There are no material contingent liabilities in respect of joint ventures at balance date.

### 32. DEED OF CROSS GUARANTEE

Set out below is a consolidated statement of comprehensive income, a consolidated statement of financial position and a summary of movements in consolidated retained earnings of the Australian Closed Group for the year ended 30 June 2015 for all entities that are parties to a deed of cross guarantee (refer to note 28).

Computershare Limited Closed Group – Statement of financial position	2015 \$000	2014 \$000
<b>Current assets</b>		
Cash and cash equivalents	56,327	51,224
Receivables	118,326	89,508
Inventories	1,048	1,310
Other	7,559	11,842
Derivative financial instruments	-	4,602
<b>Total current assets</b>	<b>183,260</b>	<b>158,486</b>
<b>Non-current assets</b>		
Receivables	184,883	192,931
Other financial assets	1,921,150	2,118,514
Property, plant and equipment	38,151	51,191
Deferred tax assets	60,098	46,616
Intangibles	148,888	189,351
Derivative financial instruments	31,237	24,064
Other	448	1,022
<b>Total non-current assets</b>	<b>2,384,855</b>	<b>2,623,689</b>
<b>Total assets</b>	<b>2,568,115</b>	<b>2,782,175</b>
<b>Current liabilities</b>		
Payables	181,102	265,106
Lease liabilities	1,431	2,621
Current tax liabilities	12,708	14,482
Provisions	2,629	2,298
Derivative financial instruments	20,836	-
Deferred consideration	-	17,393
Other	30,554	28,830
<b>Total current liabilities</b>	<b>249,260</b>	<b>330,730</b>
<b>Non-current liabilities</b>		
Payables	130,248	152,435
Interest bearing liabilities	578,310	524,241
Lease liabilities	26,081	33,742
Deferred tax liabilities	17,048	21,563
Provisions	11,778	14,198
Derivative financial instruments	9,732	-
Other liabilities	884	1,565
<b>Total non-current liabilities</b>	<b>774,081</b>	<b>747,744</b>
<b>Total liabilities</b>	<b>1,023,341</b>	<b>1,078,474</b>
<b>Net assets</b>	<b>1,544,774</b>	<b>1,703,701</b>
<b>Equity</b>		
Contributed equity – ordinary shares	158,818	158,818
Reserves	(35,660)	298,364
Retained earnings	1,421,616	1,246,519
<b>Total equity</b>	<b>1,544,774</b>	<b>1,703,701</b>

## Notes to the Consolidated Financial Statements

	2015 \$000	2014 \$000
<b>Computershare Limited Closed Group – Statement of comprehensive income</b>		
<b>Revenues from continuing operations</b>		
Sales revenue	277,044	335,182
Other revenue	440,908	160,581
<b>Total revenue</b>	<b>717,952</b>	<b>495,763</b>
<b>Other income</b>	<b>33,466</b>	<b>8,391</b>
<b>Expenses</b>		
Direct services	320,298	299,454
Technology costs	75,185	85,113
Corporate services	15,129	16,965
Finance costs	27,335	30,713
<b>Total expenses</b>	<b>437,947</b>	<b>432,245</b>
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(184)	(1,373)
<b>Profit before income tax expense</b>	<b>313,287</b>	<b>70,536</b>
Income tax expense/(credit)	(1,833)	3,092
<b>Profit for the year</b>	<b>315,120</b>	<b>67,444</b>
<b>Other comprehensive income</b>		
Cash flow hedges	(581)	(791)
Exchange differences on translation of foreign operations	(304,597)	21,747
Income tax relating to components of other comprehensive income	348	48
Other comprehensive income for the year, net of tax	(304,830)	21,004
<b>Total comprehensive income for the year</b>	<b>10,290</b>	<b>88,448</b>

Set out below is a summary of movements in consolidated retained profits for the year of the Closed Group.

Retained earnings at the beginning of the financial year	1,246,519	1,332,407
Profit for the year	315,120	67,444
Dividends provided for or paid	(140,023)	(153,332)
<b>Retained earnings at the end of the financial year</b>	<b>1,421,616</b>	<b>1,246,519</b>

### 33. PARENT ENTITY FINANCIAL INFORMATION

#### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2015 \$000	2014 \$000
<b>Balance sheet</b>		
Current assets	106,832	96,872
Non-current assets	845,945	1,005,824
<b>Total assets</b>	<b>952,777</b>	<b>1,102,696</b>
Current liabilities	76,142	67,764
Non-current liabilities	611,174	650,266
<b>Total liabilities</b>	<b>687,316</b>	<b>718,030</b>
<b>Equity</b>		
Contributed equity – ordinary shares	35,703	35,703
Reserves		
Capital redemption reserve	2	2
Foreign currency translation reserve	78,921	143,039
Share based payment reserve	32,001	45,596
Equity related consideration	(2,327)	(2,327)
Available-for-sale asset reserve	(60)	(60)
Retained earnings	121,221	162,713
<b>Total equity</b>	<b>265,461</b>	<b>384,666</b>
<b>Profit/(loss) attributable to members of the parent entity</b>	<b>98,483</b>	<b>49,897</b>
<b>Total comprehensive income attributable to members of the parent entity</b>	<b>34,365</b>	<b>53,820</b>

#### **(b) Guarantees entered into by the parent entity**

The parent entity's financial guarantees have been outlined in note 34.

#### **(c) Contingent liabilities of the parent entity**

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014 other than guarantees given by the parent entity outlined in note 34.

#### **(d) Contractual commitments for the acquisition of property, plant and equipment**

The parent entity did not have any commitments for the acquisition of property, plant and equipment as at 30 June 2015 and 30 June 2014.

### **34. CONTINGENT LIABILITIES**

#### **(a) Guarantees and Indemnities**

Guarantees and indemnities of \$900.0 million (2014: \$800.0 million) have been given to the consolidated entity's Bankers by Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Investments (UK) (No. 3) Ltd, Computershare Finance Company Pty Ltd, Computershare US and Computershare Investor Services Inc under a \$450.0 million 3-year Multi-currency Syndicated Facility Agreement and a \$450.0 million 5-year USD Syndicated Facility Agreement, both executed on 17 July 2014 (refer to note 13 for further detail).

Bank guarantees of AUD 0.5 million (2014: AUD 0.5 million) have been given in respect of facilities provided to Computershare Clearing Pty Ltd. Bank guarantees of AUD 0.5 million (2014: AUD 0.5 million) have been given in respect of facilities provided to Computershare Ltd. Bank guarantees of AUD 0.2 million (2014: AUD 0.2 million) have been given in respect of facilities provided to Computershare Investor Services Pty Ltd. Bank guarantees of AUD 1.0 million (2014: AUD 1.0 million) have been given in respect of facilities provided to Computershare Communication Services Pty Ltd. Bank guarantees of AUD 0.5 million (2014: AUD 0.5 million) have been given in respect of facilities provided to Communication Services Australia Pty Ltd. A bank guarantee of AUD 1.5 million (2014: AUD 1.5 million) has been given in respect of facilities provided to Serviceworks Management Pty Ltd.

A performance guarantee of ZAR 15.0 million (2014: ZAR 15.0 million) has been given by Computershare Limited (South Africa) to provide security for the performance of obligations as a Central Securities Depositor Participant.

A guarantee of ZAR 0.6 million (2014: ZAR 0.6 million) has been given by Computershare South Africa (Pty) Ltd to provide security for electricity services.

A bank guarantee of ZAR 0.1 million (2014: ZAR 1.0 million) has been given by Computershare South Africa (Pty) Ltd as security for bonds in respect of leased premises.

Guarantees of \$0.5 million (2014: \$0.5 million) have been given by Computershare Investor Services LLC, Computershare Inc and Computershare US Services Inc as security for bonds in respect of leased premises.

A bank guarantee of HKD 1.5 million (2014: HKD 1.5 million) has been given by Computershare Hong Kong Investor Services in respect of facilities provided to Computershare Hong Kong Trustee Limited.

No bank guarantee (2014: NZD 0.3 million) has been given in respect of facilities provided to Computershare Investor Services Ltd New Zealand.

Contracts of EUR 0.6 million (2014: EUR 0.1 million) have been entered into by VEM Aktienbank AG (Germany) due to delivery liabilities from securities lending.

Guarantees and indemnities of \$930.5 million (2014: \$930.5 million) have been given to US Institutional Accredited Investors by Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Finance Company Pty Ltd, Computershare US, Computershare Investments (UK) (No. 3) Ltd and Computershare Investor Services Inc under a Note and Guarantee Agreement dated 22 March 2005, 29 July 2008 and 9 February 2012.

#### **(b) Legal and Regulatory Matters**

Due to the nature of operations, certain commercial claims in the normal course of business have been made against the consolidated entity in various countries. An inherent difficulty in predicting the outcome of such matters exists, but in the opinion of the Group, based on current knowledge and in consultation with legal counsel, we do not expect any material liability to the Group to eventuate. The status of all claims is monitored on an ongoing basis, together with the adequacy of any provisions recorded in the Group's Financial Statements.

#### **(c) Other**

The Group is subject to regulatory capital requirements administered by relevant regulatory bodies in countries where Computershare operates. Failure to meet minimum capital requirements, or other ongoing regulatory requirements, can initiate action by the regulators that, if undertaken, could revoke or suspend the Group's ability to provide trust services to customers in these markets. At all relevant times Group controlled entities have met all minimum capital requirements.

Computershare Limited (Australia) has issued a letter of warrant to Computershare Ltd (South Africa). This obligates Computershare Limited (Australia) to maintain combined tier one capital of at least ZAR 455.0 million.

## Notes to the Consolidated Financial Statements

Potential withholding and other tax liabilities arising from distribution of all retained distributable earnings of all foreign incorporated controlled entities are \$40.9 million (2014: \$37.1 million). No provision is made for withholding tax on unremitted earnings of applicable foreign incorporated controlled entities as there is currently no intention to remit these earnings to the parent entity.

In consideration of the Australian Securities and Investments Commission agreeing to allow AUD 5.0 million to form part of the net tangible assets of Computershare Clearing Pty Ltd so that it can meet certain financial requirements under the conditions of its Australian Financial Services Licence, Computershare Limited has agreed to make, at the request of Computershare Clearing Pty Ltd, a AUD 5.0 million loan to it. Computershare Limited has agreed to subordinate its loan to any other unsecured creditors of Computershare Clearing Pty Ltd. The loan was made pursuant to a deed of subordination dated 7 January 2004.

In consideration of the Australian Securities and Investments Commission agreeing to allow AUD 5.0 million to form part of the net tangible assets of Computershare Share Plans Pty Ltd so that it can meet certain financial requirements under the conditions of its Australian Financial Services Licence, Computershare Limited has agreed to make, at the request of Computershare Share Plans Pty Ltd, a AUD 5.0 million loan to it. Computershare Limited has agreed to subordinate its loan to any other unsecured creditors of Computershare Share Plans Pty Ltd. The loan was made pursuant to a deed of subordination dated 5 July 2007.

Computershare Limited (Australia), as the parent entity, has undertaken to own, either directly or indirectly, all of the equity interests and to guarantee performance of the obligations of Computershare Investor Services Pty Ltd, Computershare Trust Company NA, Georgeson Inc, Georgeson Securities Corporation, Computershare Trust Company of Canada and Computershare Investor Services Inc with respect to any financial accommodation related to transactional services provided by BMO Harris Bank, Chicago.

### 35. COMMITMENTS

#### (a) Retirement benefits

##### Defined Contribution Funds

The Group maintains defined contribution superannuation schemes which provide benefits to all employees upon their disability, retirement or death. Employee contributions to the funds are based upon various percentages of employees' gross salaries as set out below:

Australian controlled entities contribute to the defined contribution funds as follows:

- > Category 1 – Management (employer contributions, voluntary employee contributions of at least 1%)
- > Category 2 – Staff (statutory employer contributions of 9.5%, voluntary employee contributions)
- > Category 3 – SGC Staff and casual and fixed term employees (statutory employer contributions, voluntary employee contributions)

Foreign controlled entities contribute to the defined contribution funds as follows:

- > United Kingdom entities – between 7% and 10% of employees' gross salaries
- > United States entities – voluntary employee contributions with matching employer contribution up to 4% of employees' base salaries
- > Canadian entities – between 2% and 7% of employees' base salaries dependent upon years of service
- > South African entities – 12.25% of employees' gross salaries
- > New Zealand entities – voluntary employee contributions with matching employer contribution up to 6% of employees' base salaries
- > Hong Kong entities – between 5% and 20% of employees' base salary dependent upon years of service
- > Indian entity – 12% of employees' gross salaries

##### Defined Benefit Funds

Karvy Computershare Private Limited maintained a defined benefit superannuation scheme which provides benefits to 3,031 employees (2014: 2,590). Actuarial valuation of the scheme is provided by the Life Insurance Corporation, which maintains the fund. The net asset is not material to the Group.

Computershare Deutschland GmbH & Co. KG, Computershare HV-Services AG and Computershare Communication Services GmbH maintained a defined benefit scheme which provides benefits to 15 employees (2014: 15) An actuarial assessment of the scheme was completed as at 30 June 2015 and defined benefit plan liability recognised in accordance with the actuarial valuation. The net liability is not material to the Group.

## (b) Finance lease commitments

	2015 \$000	2014 \$000
Commitments in relation to finance leases are payable as follows:		
Not later than 1 year	7,775	9,406
Later than 1 year but not later than 5 years	37,192	42,338
Minimum lease payments	44,967	51,744
Less: Future finance charges		
Not later than 1 year	(1,723)	(2,156)
Later than 1 year but not later than 5 years	(2,855)	(5,544)
Total future finance charges	(4,578)	(7,700)
Net finance lease liability	40,389	44,044
Reconciled to:		
Current liability (note 13)	6,052	7,250
Non-current liability (note 13)	34,337	36,794
	40,389	44,044

### Significant finance lease

The consolidated entity entered into a finance lease arrangement for the Yarra Falls corporate offices in Melbourne on 11 March 2010 and amended the terms of the agreement on 22 April 2013. The lease is subject to renegotiation and renewal on 27 April 2018. If the lease is not renewed the Group will pay a termination value of AUD 30.5 million satisfying all financial commitments. This lease includes a facility agreement, head lease and sublease agreements. Under the terms, CPU has the right to offset payments and receipts related to the facility agreement and head lease. The financial asset and liabilities related to these agreements are offset against each other in the Group's balance sheet in accordance with the applicable accounting standards. Details of the offset are included in the table below.

	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts recognised
<b>2015</b>			
Finance lease liability – Facility agreement	24,763	(24,763)	-
Finance lease asset – Head Lease	24,763	(24,763)	-
Finance lease liability – Sublease	24,763	-	24,763
<b>2014</b>			
Finance lease liability – Facility agreement	30,827	(30,827)	-
Finance lease asset – Head Lease	30,827	(30,827)	-
Finance lease liability – Sublease	30,827	-	30,827

## (c) Operating lease commitments

	2015 \$000	2014 \$000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than 1 year	45,790	45,566
Later than 1 year but not later than 5 years	112,993	121,126
Later than 5 years	25,978	29,272
	184,761	195,964



# Notes to the Consolidated Financial Statements

## 36. CAPITAL EXPENDITURE COMMITMENTS

	2015 \$000	2014 \$000
Less than 1 year:		
Fit-out of premises	2,143	9
Purchase of equipment	795	-
Other	343	319
	<b>3,281</b>	<b>328</b>

## 37. SIGNIFICANT EVENTS AFTER YEAR END

Post balance date events are included in note 7, 8 and 25. No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this financial report that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

## 38. RELATED PARTY DISCLOSURES

Key management personnel disclosures are included in note 39. Detailed remuneration disclosures are provided in the remuneration report.

Directors' shareholdings	Shares in the parent entity	
	2015	2014
Ordinary shares held at the end of the financial year	50,422,326	53,391,364
Ordinary dividends received during the year in respect of those ordinary shares	13,024,460	14,229,265
Net ordinary shares purchased/(sold) by directors during the financial year	(2,677,121)	(4,395,427)

### (a) Wholly owned Group – intercompany transactions and outstanding balances

The parent entity and its controlled entities entered into the following transactions during the year within the wholly owned Group:

- > Loans were advanced and repayments received on loans and intercompany accounts
- > Fees were exchanged between entities
- > Interest was charged between entities
- > The parent entity and its Australian controlled entities have been parties to a tax sharing deed, which includes a tax funding arrangement (note 42)
- > Dividends were paid between entities
- > Bank guarantees were provided by the parent entity to its controlled entities (note 34)

These transactions were undertaken on commercial terms and conditions.

Ultimate controlling entity

The ultimate controlling entity of the consolidated entity is Computershare Limited.

### (b) Ownership interests in related parties

Interests in controlled entities are set out in note 28. Interests held in associates and joint ventures are disclosed in notes 30 and 31.

### (c) Transactions with associates and joint ventures

Computershare Investor Services UK has made sales of \$7,184 (2014: \$197,441) to Milestone Group Pty Ltd.

Computershare Investor Services Australia has made purchases of \$874,450 (2014: \$72,252) from The Reach Agency Pty Ltd.

Computershare Communication Services Australia has made purchases of \$430,162 (2014: \$971,511) from The Reach Agency Pty Ltd.

Computershare Investor Services New Zealand has made purchases of \$18,516 (2014: \$823,328) from The Reach Agency Pty Ltd.

Computershare Deutschland GmbH & Co. KG has made purchases of \$2,869 (2014: \$31,590) from VisEq GmbH.

Computershare Deutschland GmbH & Co. KG has made sales of \$25,854 (2014: \$27,829) to VisEq GmbH.

Computershare Deutschland GmbH & Co. KG has a receivable of \$4,028 (2014: \$6,928) from VisEq GmbH.

Computershare S.p.A has made sales of \$336 (2014: \$NIL) to Mergit S.r.l.

Computershare S.p.A has a receivable of \$320 (2014: \$NIL) with Mergit S.r.l.

Computershare Communication Services US has made sales of \$461,690 (2014: \$246,000) to INVeSHARE Inc.

Computershare Communication Services US has a receivable of \$264,266 (2014: \$153,000) from INVeSHARE Inc.

Georgeson Shareholder Analytics LLC has made sales of \$2,621,200 (2014: \$1,793,000) to Japan Shareholder Services Ltd.

Georgeson Shareholder Analytics LLC has a receivable of \$1,643,200 (2014: \$1,076,700) from Japan Shareholder Services Ltd.

These transactions were undertaken on commercial terms and conditions.

## 39. KEY MANAGEMENT PERSONNEL DISCLOSURES

### Key management personnel compensation

	2015 \$	2014 \$
Short-term employee benefits	8,707,191	9,268,837
Other long-term benefits	101,313	43,448
Post-employment benefits	308,842	285,302
Share based payments	2,320,411	5,432,353
Termination benefits	428,614	-
Other	81,334	475,225
Total	11,947,705	15,505,165

For detailed remuneration disclosures please refer to section A to E of the remuneration report within the Directors' Report.

## 40. EMPLOYEE AND EXECUTIVE BENEFITS

### (a) Share plans

#### Exempt Employee Share Plan

During the year ended 30 June 2001 the Group introduced an Exempt Employee Share Plan. The Plan gives Computershare employees in Australia the opportunity to acquire shares in Computershare Limited. Each year, participating employees can make contributions from their pre-tax salary to acquire AUD 500 worth of shares. Such employee contributions are matched by the Group with an additional AUD 500 worth of shares being acquired for each participating employee. All permanent employees in Australia with at least 6 months service and employed at the allocation date are entitled to participate in this Plan.

#### Deferred Employee Share Plan

During the year ended 30 June 2002 a Deferred Employee Share Plan was established to enable Computershare to match dollar for dollar any employee pre-tax contributions to a maximum of AUD 3,000 per employee. Shares purchased and funded by an employee's pre-tax salary must remain in the plan for a minimum of 1 year. Matching shares funded by the Group must be kept in the plan for a minimum of 2 years or they will be forfeited. All permanent employees in Australia employed at the allocation date are entitled to participate in this Plan. A derivative of this Plan and the Exempt Employee Share Plan have been made available to employees in New Zealand, Hong Kong, China, the United Kingdom, Ireland, Jersey, Germany, Canada, South Africa and the United States of America.

Subject to the discretion of the Board, shares in the parent entity may also be allocated to selected employees in accordance with an employee share plan on a discretionary basis having regard to special circumstances as determined by the Remuneration Committee. Such shares may be subject to vesting and performance criteria as determined by the Board or the Remuneration Committee.

#### Deferred Short-Term Incentive (DSTI) Share Plan

The Group also provides DSTI awards to key management personnel and other senior executives as part of a structured STI plan and then other high performing employees on a discretionary basis. Recipients of DSTI awards must complete specified periods of service as a minimum before any share awards under the DSTI plan become unconditional.

## Notes to the Consolidated Financial Statements

Number of employee shares held	Ordinary shares	
	2015	2014
Opening balance	10,386,943	11,090,385
Shares purchased on the market	3,898,899	2,772,157
Forfeited shares reissued	240,153	90,294
Shares forfeited	(127,285)	(183,627)
Shares withdrawn	(4,367,327)	(3,382,266)
Closing balance	10,031,383	10,386,943
Fair value of shares granted through the employee share plan (\$000)*	41,694	27,444

\* Weighted average fair value of shares is determined by the closing price at the end of the day's trading on the Australian Securities Exchange on the allocation date. The average price per share purchased on market was AUD \$12.01.

### Phantom Share Awards Plan

The Phantom Share Awards Plan (Phantom Plan) was introduced in 2013 as an alternative to the DSTI Share Plan to employees who are resident for tax purposes in countries where the taxation and/or legal requirements mean the DSTI Share Plan does not achieve the most effective outcome for Computershare or those employees. Awards under the Phantom Plan are cash-settled and vest after specified periods of service have been completed.

### (b) Performance rights

#### Long-Term Incentive Plan

The Board has offered to eligible key management personnel and senior group executives in the Group performance rights under long-term incentive plans.

In 2014, the Board approved the terms of a new Long-Term Incentive Plan, known as the LTI Plan, which replaces the DLI plan. Performance rights are granted for no consideration and carry no dividend or voting rights. Each performance right carries an entitlement to one fully paid ordinary share in Computershare Limited subject to satisfaction of performance hurdles and continued employment over a three year performance period. Under the plan, 50% of each award of performance rights is subject to EPS hurdle criteria and 50% is subject to TSR Performance criteria. Unvested performance rights lapse on the employee's termination, subject to Board discretion.

Set out below are summaries of performance rights granted under the LTI Plan:

Grant date	Exercise date on or after	Exercise price	Balance at beginning of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Exercisable at end of the year
1 Dec 2014	30 Sep 2017	\$0.00	-	579,238	-	-	579,238	-

No performance rights expired during the period covered by the above table.

The fair value of performance rights granted under the 2015 LTI plan were assessed using the following parameters:

	2015 Plan – EPS	2015 Plan – TSR
Grant date	1 Dec 2014	1 Dec 2014
Hurdle start date	1 Jul 2014	1 Jul 2014
Hurdle end date	30 Jun 2017	30 Jun 2017
Share price at grant date	AUD\$11.13	AUD\$11.13
Fair value measurement date <sup>(i)</sup>	AUD\$10.26	AUD\$4.39
Exercise price	AUD\$0.00	AUD\$0.00
Expected volatility <sup>(ii)</sup>	21.45%	21.45%
Option life	3 years	3 years
Expected dividend yield p.a. <sup>(iii)</sup>	2.86%	2.86%
Risk free rate p.a. <sup>(iv)</sup>	2.6833%	2.6833%

i) To allow for the TSR hurdle, a Monte Carlo simulation was used to value the performance rights. To allow for the EPS hurdle, a closed form Black Scholes model was used to value the performance rights.

ii) Expected volatility is based on historical daily share price for the three-year period preceding the grant date.

iii) Expected dividend yield is based on historic yield for the three-year period immediately preceding the grant date.

iv) Risk free interest rate is based on the three-year Australian Bank Bill Swap Rate at grant date.

#### Deferred Long-Term Incentive Plan

The previous long-term incentive plan, known as the DLI Plan, was offered to eligible key management personnel and senior managers in the Group. Performance rights were granted for no consideration and carry no dividend or voting rights. Under the DLI Plan each performance right carries an entitlement to one fully paid ordinary share in Computershare Limited subject to satisfaction of performance hurdles and/or continued employment over a five year performance period.

Set out below are summaries of performance rights granted under the plan:

Grant date	Exercise date on or after	Exercise price	Balance at beginning of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Exercisable at end of the year
12 Nov 2009	30 Sep 2014	\$0.00	2,700,000	-	(1,350,000)	(1,350,000)	-	-
12 Aug 2010	30 Sep 2015	\$0.00	200,000	-	(80,000)	(20,000)	100,000	-
12 Oct 2011	30 Sep 2016	\$0.00	700,000	-	-	-	700,000	-
4 May 2012	30 Sep 2016	\$0.00	200,000	-	-	-	200,000	-
25 Sep 2012	30 Sep 2017	\$0.00	1,100,000	-	(75,000)	(75,000)	950,000	-
<b>Total</b>			<b>4,900,000</b>	<b>-</b>	<b>(1,505,000)</b>	<b>(1,445,000)</b>	<b>1,950,000</b>	<b>-</b>

No performance rights expired during the period covered by the above table.

#### (c) Employee benefits recognised

	2015 \$000	2014 \$000
Performance rights expense	1,775	4,668
Share plan and options expense	16,258	17,431
Aggregate employee entitlement liability (note 20 and 21)	30,069	36,301

# Notes to the Consolidated Financial Statements

## 41. REMUNERATION OF AUDITORS

	2015 \$000	2014 \$000
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its network firms and non-related audit firms:		
<b>Assurance services</b>		
Auditing or review of financial statements		
> PricewaterhouseCoopers Australia	843	985
> Network firms of PricewaterhouseCoopers Australia	3,084	3,042
	<b>3,927</b>	<b>4,027</b>
<b>Other assurance services</b>		
> PricewaterhouseCoopers Australia	372	386
> Network firms of PricewaterhouseCoopers Australia	2,203	1,718
	<b>2,575</b>	<b>2,104</b>
<b>Taxation services</b>		
> Related practices of PricewaterhouseCoopers Australia	38	9
	<b>38</b>	<b>9</b>
Remuneration received, or due and receivable, by auditors other than the auditor of the parent entity and its affiliates for:		
Auditing or review of financial statements	302	265

## 42. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report is for the consolidated entity consisting of Computershare Limited and its controlled entities, referred to collectively throughout these financial statements as the "consolidated entity", "the Group" or "Computershare".

### Basis of preparation of full year financial report

This general purpose financial report for the reporting period ended 30 June 2015 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Computershare Limited is a for-profit entity for the purpose of preparing financial statements.

This report is to be read in conjunction with any public announcements made by Computershare Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Securities Exchange Listing Rules.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

### Compliance with IFRS

The financial statements of Computershare Limited and its controlled entities also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Historical cost convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

## Changes in accounting policy

The following changes resulted from the new or revised accounting standards which became which became operative for the annual reporting period commencing on 1 July 2014:

- > AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*
- > AASB 2013-4 *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*
- > Interpretation 21 *Accounting for Levies*
- > AASB 2014-1 *Amendments to Australian Accounting Standards*
- > AASB 2012-3 *Amendments to AASB 132 – Financial Instruments: Presentation*

The adoption of these standards did not have any impact and is not likely to affect future periods.

## Principles of consolidation

The consolidated financial statements include the assets and liabilities of the parent entity, Computershare Limited, and its controlled entities.

All intercompany balances and transactions have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are consolidated only from the date control commenced or up to the date control ceased.

Financial statements of foreign controlled entities, associates and joint ventures presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with group policy and Australian Accounting Standards.

### Controlled entities

Controlled entities are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of controlled entities by the Group.

### Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This generally accompanies a shareholding of between 20% and 50% of the voting rights. Interests in material associated entities are brought to account using the equity method. Under this method the investment in associates is initially recognised at its cost of acquisition and its carrying value is subsequently adjusted for increases or decreases in the investor's share of post-acquisition results and reserves of the associate. The Group's share of its associates' post acquisition profits or losses is recognised in the profit or loss. The investment in associated entities is decreased by the amount of dividends received or receivable.

### Joint ventures

Joint ventures are arrangements where Computershare has joint control with another party over that arrangement and each party has rights to the net assets of that arrangement. Joint control is the agreed sharing of control, which exists when decisions about relevant activities require unanimous consent of parties sharing control. Interests in joint ventures are accounted for using the equity method.

### Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the controlled entity. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the parent entity.

## Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Computershare Limited Chief Executive Officer (CEO).

## Foreign currency translation

### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in US dollars, as a significant portion of the Group's activity is denominated in US dollars.

### Transactions and balances

Foreign currency transactions are converted to US dollars at exchange rates approximating those in effect at the date of each transaction. Amounts payable and receivable in foreign currencies at balance date are converted to US dollars at the average of the buy and sell rates available on the close of business at balance date. Revaluation gains and losses are brought to account as they occur.

## Notes to the Consolidated Financial Statements

Exchange differences relating to monetary items are included in profit or loss, as exchange gains or losses, in the period when the exchange rates change, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

### Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- > Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement
- > Income and expenses for each statement of comprehensive income are translated at average exchange rates
- > All resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and reflected in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Income tax

The financial statements apply the principles of tax-effect accounting. The income tax expense in the profit or loss represents tax on the pre-tax accounting profit adjusted for income and expenses never to be assessed or allowed for taxation purposes. This is also adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses. The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are recognised for temporary differences calculated at the tax rates expected to apply when the differences reverse. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity, respectively.

### Tax consolidation legislation

Computershare Limited and its wholly-owned Australian controlled entities implemented the tax consolidation regime with effect from 1 July 2002. The Australian Taxation Office has been formally notified of this decision.

The relevant entities have also entered into a tax sharing deed, which includes tax funding arrangements. As a consequence, Computershare Limited, as the head entity in the tax consolidation group, has recognised the current tax liability relating to transactions, events and balances of the wholly owned Australian controlled entities in this group in the financial statements as if that liability was its own, in addition to recognising the current tax liability arising in relation to its own transactions, events and balances. Amounts receivable or payable under the tax sharing deed are recognised separately as tax related intercompany payables or receivables.

### Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised and amortised over the shorter of the lease term and the useful life of the asset, or where ownership is reasonably certain to be obtained on expiration of the lease, over the useful life of the asset. Lease payments are allocated between interest expense and reduction in the lease liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease assets are not capitalised and rental payments (net of any incentives received from the lessor) are charged against operating profit on a straight line basis over the period of the lease.

### Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the leasehold properties, whichever is shorter.

### Software and research and development costs

Internally developed software and related research and development costs are expensed in the year in which they are incurred as they do not meet the recognition criteria for capitalisation.



## Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are reviewed at least annually to determine whether their carrying amounts require write-down to recoverable amount or more frequently, if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment testing requires use of assumptions. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For available-for-sale assets, a significant or prolonged decline in fair value is considered when determining whether the asset is impaired.

For the purposes of impairment testing, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Goodwill is allocated to cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the business combination.

## Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a first-in first-out basis. Prepaid inventory is recorded at cost and is bought on behalf of the Group's clients. As the inventory is used, the costs are billed.

## Property, plant and equipment

Property, plant and equipment are stated at historical costs less depreciation. The amounts at which property, plant and equipment are stated in these financial statements are regularly reviewed.

### Depreciation

Items of property, plant and equipment, excluding freehold land, are depreciated on a straight line basis at rates calculated to allocate their cost, less estimated residual value, over their estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Additions and disposals are depreciated for the period held, in the year of acquisition or disposal. Depreciation expense has been determined based on the following rates of depreciation:

- > Buildings (2.5% per annum)
- > Plant and equipment (10% to 50% per annum)
- > Fixtures and fittings (13% to 50% per annum)
- > Motor vehicles (15% to 40% per annum)

## Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts and volume rebates.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the consolidated entity, and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Services revenue is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised under the percentage of completion method, based on the actual service provided as proportion of the total services to be provided.

Software licence sales and associated development, installation and maintenance fees are recognised in accordance with written customer agreements when the entity has the right to be compensated for services and it is probable that compensation will flow to the entity in the future.

### Other revenue

Other revenue includes interest income on short-term deposits controlled by the consolidated entity, and royalties and dividends received from other persons. Interest income is recognised using the effective interest method. Royalties and dividends are recognised as revenue when the right to receive payment is established.

### Insurance recoveries

The consolidated entity recognises amounts receivable under its insurance policies, net of any relevant excess amounts, upon indemnity being acknowledged by the insurers.

## Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the profit or loss.

# Notes to the Consolidated Financial Statements

## Trade and other payables

These amounts represent liabilities for those goods and services provided to the Group prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## Dividends

Provision is made for the amount of any dividend declared by the directors on or before the end of the financial year but not distributed at balance date.

## Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to members of Computershare Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share is determined by adjusting the weighted average number of shares used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Management basic earnings per share

Management basic earnings per share exclude certain items. Management adjusted results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance. The net profit used in the management earnings per share calculation is adjusted for the management adjustment items net of tax (refer to note 3).

## Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits at call with financial institutions, and other highly liquid investments with short periods to maturity (three months or less) which can readily be converted to known amounts of cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Cash and cash equivalents exclude broker client deposits reflected in the statement of financial position that are recorded as other current financial assets.

## Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a controlled entity comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the controlled entity.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Within 12 months of completing the acquisition, identifiable intangible assets are valued and separately recognised in the statement of financial position. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the controlled entity acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

## Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is carried at cost less accumulated impairment losses. On disposal or termination of a previously acquired business, any remaining balance of associated goodwill is included in the determination of the profit or loss on disposal.

#### Acquired intangible assets

Acquired intangible assets have a finite useful life and are carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the value over their estimated useful lives, ranging from one to fifteen years.

#### Mortgage servicing rights

Mortgage servicing rights acquired as part of business combination are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Mortgage servicing rights acquired as part of ongoing operations are carried at cost less accumulated amortisation and impairment losses. Amortisation for all servicing rights is calculated using the straight line method over their estimated useful lives.

#### Employee benefits

Provision has been made in the statement of financial position for benefits accruing to employees in relation to employee bonuses, annual leave and long service leave. No provision is made for non-vesting sick leave because past pattern of sick leave taken indicates that there is no material future obligation for unused absences.

Superannuation is included in the determination of provisions. Annual leave is measured at the additional amounts expected to be paid when the liabilities are settled.

The long service leave provision is measured at the present value of estimated future cash flows, discounted by the interest rate applicable to the period the liability is expected to fall due. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

#### Retirement benefits

Contributory superannuation and pension plans exist to provide benefits for the consolidated entity's employees and their dependants on retirement, disability or death. The plans are accumulation plans. The employee sponsors contribute to the plans at varying rates of contribution depending on the employee classification. The contributions made to the funds by group entities are charged against profits.

Defined benefit superannuation and pension plans are operated in Germany and India only. Where material to the Group, a liability or asset in respect of these plans is recognised in the consolidated statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

#### Executive share and performance right schemes

Certain employees are entitled to participate in share and performance rights schemes.

The market value of shares issued to employees for no cash consideration under employee and executive share schemes is recognised as a personnel expense over the vesting period with a corresponding increase in the share based payments reserve.

The fair value of performance rights issued under the Computershare Deferred Long-Term Incentive Plan are recognised as a personnel expense over the vesting period with a corresponding increase in the share based payments reserve.

The fair value of performance rights granted is determined using a pricing model that takes into account factors that include the exercise price, the term of the performance right, the vesting and performance criteria, the share price at grant date and the expected price volatility of the underlying share. The fair value calculation excludes the impact of any service or non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of performance rights that are expected to become exercisable. The personnel expense recognised each period takes into account the most recent estimate.

Where shares are procured by the Group with cash to satisfy obligations for vested employee entitlements under these plans, a reduction in the share based payments equity reserve is shown.

Shares issued under employee and executive share plans are held in trust until vesting date. Unvested shares held by the trust are consolidated into the Group's financial statements.

#### Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other payables unless the amount or timing of the payments is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits relating to an acquired entity or operation that arise as a consequence of an acquisition are recognised as at the date of acquisition if, at or before the acquisition date, the acquiree had an existing liability for restructuring.

# Notes to the Consolidated Financial Statements

## Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets and liabilities (or disposal groups) classified as held-for-sale are presented separately from other assets and liabilities in the statement of financial position. They are stated at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

## Contributed equity

Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders and is classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

If the Group reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

## Parent entity financial information

The financial information for the parent entity, Computershare Limited, disclosed in note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in controlled entities, associates and joint venture entities are accounted for at cost in the financial statements of Computershare Limited. Dividends received from associates and joint ventures are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

## Investments and other financial assets

The Group classifies its investments and other financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

### *i. Financial assets at fair value through profit or loss*

This category has two sub categories: financial assets held-for-trading and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Assets in this category are classified as current in the consolidated statement of financial position. Derivatives are classified as held for trading unless they are designated as hedge instruments.

### *ii. 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 are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included within receivables in the consolidated statement of financial position.

### *iii. Available-for-sale assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

### Initial recognition and subsequent measurement

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Subsequently,

available-for-sale financial assets and financial assets at fair value through profit or loss are carried at fair value. Realised and unrealised gains and losses arising from changes in fair value of financial assets at fair value through profit or loss category are included in profit or loss in the period in which they arise. Unrealised gains and losses for changes in fair value of available-for-sale assets are recognised in other comprehensive income in the available-for-sale asset reserve. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When available for sale assets are sold, the accumulated fair value adjustments are reclassified to profit or loss.

#### Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is reclassified from equity and recognised in profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

#### Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the borrowing period using the effective interest method. Borrowings are classified as current liabilities unless the Group has a legal right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Derivative instruments

The Group uses derivative financial instruments to manage specifically identified interest rate and foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain financial instruments, including derivatives, as either: (1) hedges of net investments of a foreign operation; (2) hedges of firm commitments and highly probable forecast transactions (cash flow hedges); or (3) fair value hedges.

#### Hedging

At the inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

##### *i. Hedge of net investment*

Changes in the fair value of foreign currency debt balances that are designated and qualify as hedging instruments are recorded in other comprehensive income in the foreign currency translation reserve. The change in value of the net investment is recorded in the foreign currency translation reserve in accordance with requirements of AASB 121 *The effects of Changes in Foreign Exchange Rates*. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

##### *ii. Cash flow hedge*

The Group uses interest rate derivatives to manage interest rate exposure. These derivatives are entered into as part of a hedging relationship.

The effective portion of changes in the fair value of derivatives which are designated and qualify as cash flow hedges is recognised in other comprehensive income in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are recycled in profit or loss in the periods when the hedged item will affect profit or loss (for instance when the future cash flows that are hedged take place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

##### *iii. Fair value hedge*

The Group uses interest rate derivatives to manage the fixed interest exposure that arises as a result of notes issued as part of the US Senior Notes. Changes in the fair value of these derivatives are recorded in profit or loss, together with any changes in the fair value of the hedged liabilities that are attributable to the hedged risk.

## Notes to the Consolidated Financial Statements

### *iv. Derivatives that do not qualify for hedge accounting*

Certain forward exchange contracts and foreign currency options do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

### **Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair market value of financial instruments traded in active markets (such as available-for-sale securities) is on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques including adjustments for counterparty credit risk. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Valuation techniques, such as estimated discounted cash flows, are used to determine the fair value of the remaining financial instruments.

### **Rounding of amounts**

The consolidated entity is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. In accordance with this Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period. The Group's assessment of the impact of these new standards and interpretations is presented below.

#### *AASB 9 Financial Instruments and IFRS9 Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption.

In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model, which now completes the new financial instruments standard. The Group has not yet considered the impact of the new rules.

The new hedging rules align hedge accounting more closely with the Group's risk management practices. As a general rule, it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new impairment model is an expected credit loss model which may result in the earlier recognition of credit losses. The new standard also introduces expanded disclosure requirements and changes in presentation. The Group has not yet assessed how its own hedging arrangements would be affected by the new rules. The Group does not expect to adopt AASB 9 before its operative date.

#### *AASB 15 and IFRS 15 Revenue from contracts with customers*

AASB 15 is a new standard in relation to recognition of revenue and will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. This standard is applicable to financial years commencing on or after 1 January 2018.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer so the notion of control replaces the existing notion of risks and rewards. The Group has not yet considered the impact of the new rules on its revenue recognition policies.

## Directors' Declaration

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In the directors' opinion:

- (a) the financial statements and notes set out on pages 50 to 104 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee described in note 32.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.



CJ Morris  
Chairman



SJ Irving  
Director

21 September 2015



## Directors' Declaration to the Board of Directors

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The Chief Executive Officer and Chief Financial Officer state that:

- (a) the financial records of the consolidated entity for the financial year ended 30 June 2015 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*; and
- (b) the financial statements, and the notes to the financial statements, of the consolidated entity, for the financial year ended 30 June 2015:
  - (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of their performance for the financial year ended on that date.



SJ Irving  
Chief Executive Officer



MB Davis  
Chief Financial Officer

21 September 2015



## Independent auditor's report to the members of Computershare Limited

### *Report on the financial report*

We have audited the accompanying financial report of Computershare Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Computershare Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 42, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
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T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

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## *Auditor's opinion*

In our opinion:

- (a) the financial report of Computershare Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 42.

## ***Report on the Remuneration Report***

We have audited the remuneration report included in pages 34 to 47 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## *Auditor's opinion*

In our opinion, the remuneration report of Computershare Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'C Lewis'.

Christopher Lewis  
Partner

Melbourne  
21 September 2015

## Shareholder information

This section contains additional information required by the ASX Listing Rules not disclosed elsewhere in this report.

### SHAREHOLDINGS

#### Substantial Shareholders

The following information is extracted from the Company's Register of Substantial Shareholders.

Name	Number of ordinary shares	Fully paid percentage
Christopher John Morris	37,631,000	6.77%

#### Class of shares and voting rights

At 11 September 2015 there were 49,882 holders of ordinary shares in the Company. The voting rights attaching to the ordinary shares set out in clause 4 of the Company's Constitution are:

- (a) the right to receive notice of and to attend and vote at all general meetings of the Company;
- (b) the right to receive dividends; and
- (c) in a winding up or a reduction of capital, the right to participate equally in the distribution of the assets of the Company (both capital and surplus), subject to any amounts unpaid on the Share and, in the case of a reduction, to the terms of the reduction

#### Distribution of shareholders of shares as at 11 September 2015

Size of holding	Ordinary shareholders
1 – 1,000	22,262
1,001 – 5,000	22,391
5,001 – 10,000	3,196
10,001 – 100,000	1,879
100,001 and over	154
<b>Total shareholders</b>	<b>49,882</b>

There were 597 shareholders holding less than a marketable parcel of 49 ordinary shares as at 11 September 2015.

## Shareholder information

### Twenty Largest Shareholders of ordinary shares as at 11 September 2015

	Ordinary shares	
	Number	%
HSBC Custody Nominees (Australia) Limited	133,733,217	24.07
J P Morgan Nominees Australia Limited	67,477,946	12.15
National Nominees Limited	52,367,269	9.43
Mr Chris Morris	37,631,000	6.77
Citicorp Nominees Pty Limited	30,219,881	5.44
Welas Pty Ltd	14,800,000	2.66
BNP Paribas Noms Pty Ltd <DRP>	10,258,937	1.85
Penelope Maclagan	9,595,000	1.73
Computershare Clearing Pty Ltd	6,546,697	1.18
Australian Foundation Investment Company Limited	6,186,355	1.11
Ms Michele Jean O'Halloran	5,878,218	1.06
Argo Investments Limited	4,901,166	0.88
CPU Share Plans Pty Limited	4,674,220	0.84
National Nominees Limited <DB A/C>	2,209,446	0.40
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,576,325	0.28
UBS Nominees Pty Ltd	1,472,500	0.27
Questor Financial Services Limited <TPS RF A/C>	1,219,598	0.22
RBC Investor Services Australia Nominees Pty Limited <PI Pooled A/C>	1,218,573	0.22
SBN Nominees Pty Limited <10004 Account>	1,140,103	0.21
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	1,126,504	0.20
<b>Total</b>	<b>394,232,955</b>	<b>70.97</b>

### DIRECTORS

Christopher John Morris  
(Chairman)  
Stuart James Irving  
(President and Chief Executive Officer)  
Tiffany Lee Fuller  
Simon David Jones  
Markus Erhard Kerber  
Penelope Jane Maclagan  
Arthur Leslie Owen  
Joseph Mark Velli

### COMPANY SECRETARY

Dominic Matthew Horsley

### REGISTERED OFFICE

Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

Telephone +61 3 9415 5000  
Facsimile +61 3 9476 2500

### STOCK EXCHANGE LISTING

Australian Securities Exchange

### SOLICITORS

Minter Ellison  
Level 23, Rialto Towers  
525 Collins Street  
Melbourne VIC 3000

### AUDITORS

PricewaterhouseCoopers  
Freshwater Place  
2 Southbank Boulevard  
Southbank VIC 3006

### SHARE REGISTRY

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

PO BOX 103  
Abbotsford VIC 3067

Telephone 1300 307 613  
(within Australia)  
+ 61 3 9415 4222  
Facsimile + 61 3 9473 2500

### INVESTOR RELATIONS

Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

Telephone +61 3 9415 5000  
Facsimile +61 3 9476 2500

Email  
[investor.relations@computershare.com.au](mailto:investor.relations@computershare.com.au)

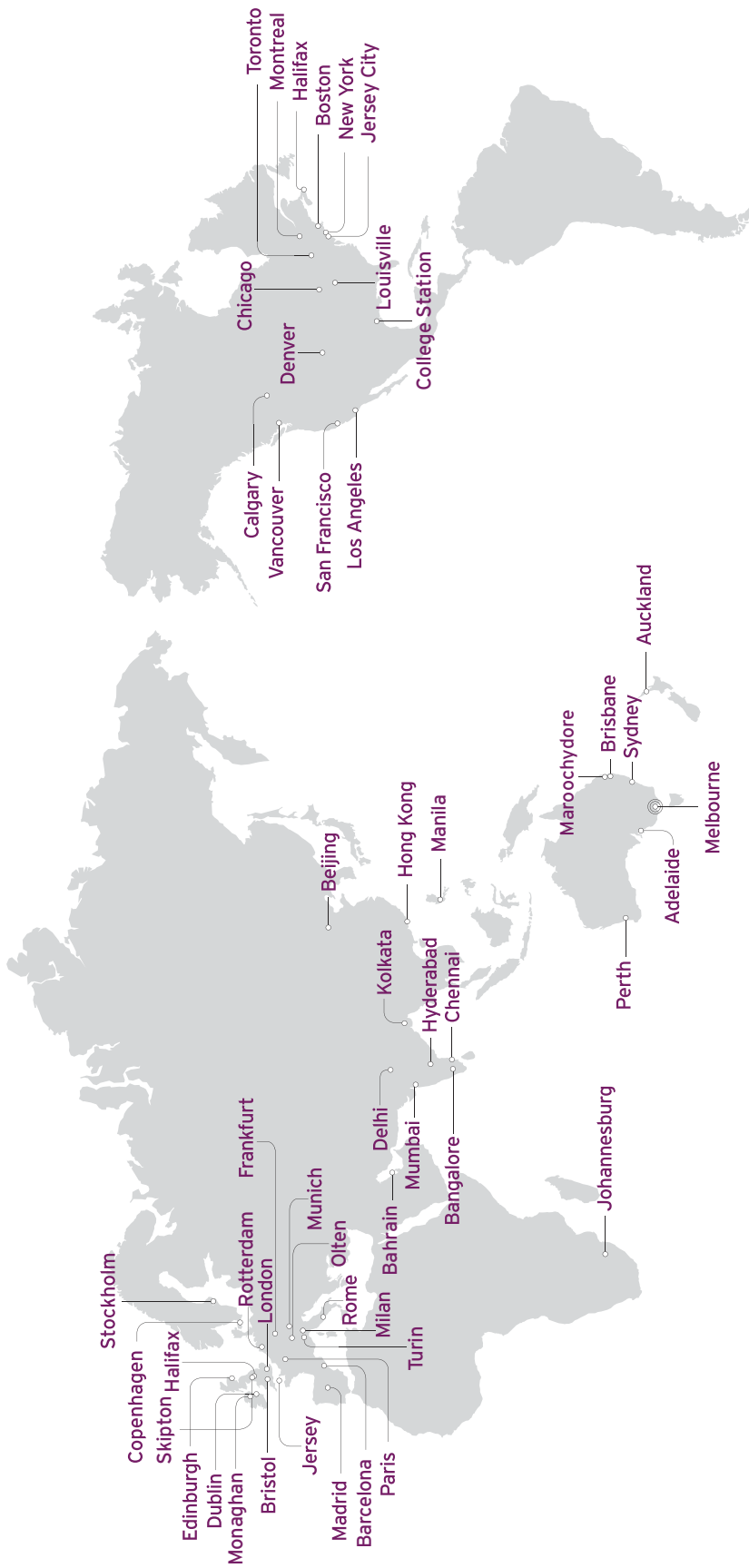
Website  
[www.computershare.com](http://www.computershare.com)

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# Office locations



**Computershare  
HEAD Office**

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ABN 71 005 485 825

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Australia

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The Annual Report  
is available online at  
[www.computershare.com](http://www.computershare.com)

