Registered number: 04968447

COMPUTERSHARE VOUCHER SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

COMPUTERSHARE VOUCHER SERVICES LIMITED

COMPANY INFORMATION

Directors	L K Botha N Sarkar J T Hood
Company secretaries	J Dolbear L K Botha
Registered number	04968447
Registered office	The Pavilions Bridgwater Road Bristol BS13 8AE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

COMPUTERSHARE VOUCHER SERVICES LIMITED

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COMPUTERSHARE VOUCHER SERVICES LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Introduction

The Directors present their strategic report on Computershare Voucher Services Limited ("the Company") for the year ended 30 June 2018.

Business review

The results for the Company show a profit before taxation of £13,248 thousand (2017 - profit £7,711 thousand) for the year ended 30 June 2018, and turnover of £15,473 thousand (2017 - £15,977 thousand). At 30 June 2018 the company had net assets of £12,488 thousand (2017 - £4,998 thousand).

During the period the company agreed an Advance Pricing Agreement with the UK tax authorities relating to license fees payable to Computershare Limited in Australia. Profit before tax in 2018 includes additional licence fees due for prior periods as a result of the final agreement. This has been classed as an exceptional item in the accounts.

Principal risks and uncertainties

The principal risk is a change to UK government policy, as the effectiveness of childcare vouchers is dependent on tax legislation. The Company works closely throughout the industry to promote the benefits childcare vouchers bring and understand the views of all stakeholders such that the risk can be managed as far as possible.

Further details on principal risks are disclosed in the 2018 Computershare Limited (Australia) group annual report. A summary of the risk management policy is available on the corporate governance information sections of the group company's website at www.computershare.com.

Financial key performance indicators

To aid management of the business, the Directors utilise a number of key performance indicators (KPIs), the most significant KPIs being turnover and headcount. Turnover decreased by 3% from £15,977 thousand in 2017 to £15,473 thousand in 2018. Average headcount decreased from 24 employees in 2017 to 23 employees in 2018.

Future developments

It is anticipated that the implementation of the new UK Tax-Free Childcare (TFC) scheme, launched in April 2017, will progressively reduce the future earnings of the Company. The existing Employer-Supported Childcare Voucher scheme was closed to new entrants from 4 October 2018. Participants joining a childcare voucher scheme on or before 4 October 2018 can continue to recieve childcare vouchers; providing the participant remains with the same employer, who continues to run the scheme. The Company will continue to administer the provision of childcare vouchers for participating employers and operate as a going concern for the foreseeable future.

Brexit

On 23 June 2016, the UK voted to leave the European Union. On 29 March 2017, the UK triggered Article 50 marking the start of a two year period in which the UK will leave the European Union by 29 March 2019, at the latest. A transitional agreement is under negotiation between the UK Government and European Union, with a proposed transitional period starting on 29 March 2019 and ending on 31 December 2020. However, following departure from the European Union, the terms that will apply post-exit remain unclear. The Board continues to evaluate the possible impact of Brexit on the business, including contingency planning in the event of a loss of passporting rights to provide services within the European Union. In the meantime, all the applicable rules and the basis on which our UK businesses operate remain unchanged.

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

J T Hood
Director

Date: 7 March 2019

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report and the financial statements for the year ended 30 June 2018.

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is the provision of a childcare vouchers scheme.

Results and dividends

The profit for the year, after taxation, amounted to £13,370 thousand (2017 - £5,906 thousand).

Dividends of £5,900 thousand (2017 - £8,200) were paid to shareholders of the Company during the year.

Directors

The Directors who served during the year and up to the date of signing the financial statements were:

L K Botha
N Sarkar
J T Hood

Significant events

On 30 July 2014 the UK Government announced that the National Savings and Investments (NS&I), a government agency, will be a new UK Tax-Free Childcare scheme (TFC) account provider working in partnership with Her Majesty's Revenue and Customs. The Scheme was originally scheduled to commence in the second half of calendar year 2015.

In August 2014 a legal challenge was commenced by CVS and other Childcare Voucher providers. This legal challenge ended on 1 July 2015 when the Supreme Court found the UK Government's proposal to provide childcare accounts within the new UK Tax-Free Childcare Scheme (TFC) to be lawful. Under this scheme National Savings and Investments, a government agency, will be TFC's account provider, working with Her Majesty's Revenue and Customs.

The TFC scheme was launched in April 2017 and has been designed to replace the existing Employer-Supported Childcare Voucher scheme. The Employer-Supported Childcare Voucher scheme was closed to new entrants from 4 October 2018, but can continue to be used by existing members. It is anticipated that the implementation of the new UK Tax-Free Childcare (TFC) scheme will progressively reduce the future earnings of the Company. However, the Company will continue to operate as a going concern for the foreseeable future.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased insurance in respect of itself and its directors.

Disclosure of information to auditors

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

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

Independent Auditors

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

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

J T Hood
Director

Date: 7 March 2019

The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Independent auditors' report to the members of Computershare Voucher Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Computershare Voucher Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibility Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Christopher Weissberg

Christopher Weissberg (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
7 March 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £000	2017 £000
Turnover	4	15,473	15,977
Cost of sales		(2,232)	(2,261)
Gross profit		13,241	13,716
Administrative expenses		(4,841)	(6,067)
Exceptional administrative expenses		4,102	-
Operating profit	5	12,502	7,649
Interest receivable and similar income	9	746	62
Profit before tax		13,248	7,711
Tax on profit	10	122	(1,805)
Profit for the year		13,370	5,906

There was no other comprehensive income for 2018 (2017:£000NIL).

The notes on pages 11 to 24 form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2018

	Note		2018 £000		2017 £000
Intangible assets	13		133		533
			133		533
Current assets					
Debtors: amounts falling due after more than one year	14	14		11	
Debtors: amounts falling due within one year	14	56,672		31,513	
Cash at bank and in hand	15	34,355		46,315	
		91,041		77,839	
Creditors: amounts falling due within one year	16	(72,453)		(68,102)	
Net current assets			18,588		9,737
Total assets less current liabilities			18,721		10,270
Provisions for liabilities					
Other provisions	18	(6,233)		(5,272)	
			(6,233)		(5,272)
Net assets			12,488		4,998
Capital and reserves					
Called up share capital	19		500		500
Other reserves			235		215
Profit and loss account			11,753		4,283
			12,488		4,998

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

J T Hood
Director

Date: 7 March 2019

The notes on pages 11 to 24 form part of these financial statements.

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

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2016	500	195	6,577	7,272
Profit for the financial year	-	-	5,906	5,906
Total comprehensive income for the year	-	-	5,906	5,906
Dividends	-	-	(8,200)	(8,200)
Capital contribution in respect of share-based payment charge	-	20	-	20
At 1 July 2017	500	215	4,283	4,998
Profit for the financial year	-	-	13,370	13,370
Total comprehensive income for the year	-	-	13,370	13,370
Dividends	-	-	(5,900)	(5,900)
Capital contribution in respect of share-based payment charge	-	20	-	20
At 30 June 2018	500	235	11,753	12,488

The notes on pages 11 to 24 form part of these financial statements.

1. General information

Computershare Voucher Services Limited ("the Company") is a private limited company incorporated and domiciled in England and Wales, United Kingdom. The address of its registered office is The Pavillions, Bridgwater Road, Bristol, BS13 8AE. The Company is limited by shares.

2. Accounting policies and key sources of estimation uncertainty

2.1 Basis of preparation of financial statements

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

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

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The following principal accounting policies have been applied consistently:

2.3 Going concern

The financial statements of the Company have been prepared on a going concern basis, which the Directors believe to be appropriate. Based on the performance and expected outlook of the business, the Directors are satisfied that the Company has adequate resources to continue to trade for the foreseeable future.

2. Accounting policies and key sources of estimation uncertainty (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Where income has been received or is receivable in advance of it being earned by the Company it is iincluded in the balance sheet as a liability under the heading deferred income and released to the profit and loss account as earned.

2.5 Intangible assets

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

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies and key sources of estimation uncertainty (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and Loss Account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Profit and Loss Account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Profit and Loss Account is charged with fair value of goods and services received.

2. Accounting policies and key sources of estimation uncertainty (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Leased assets: the Company as lessee

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

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Annual leave provision

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

2.16 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.17 Provisions for liabilities

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

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

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

2. Accounting policies and key sources of estimation uncertainty (continued)

2.18 Current and deferred taxation

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

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

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

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

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

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

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

The key estimates, assumptions and judgements are set out below:

Valuation of intangible assets
Intangible assets are regularly reviewed for objective evidence of impairment. In determining whether objective evidence exists, the Company considers the present value of future benefits and rewards expected to derive from the use of the asset. Such benefits may include increased revenue or cost reduction. If the value of the benefits is considered to be less than the carrying value of the asset then the Directors assess whether any impairment should be made.

Unredeemed Voucher provision
Provision is made for the usage of unredeemed vouchers over 2 years old. The provision is set as a proportion of the total voucher balance based on short term historical usage and long term growth trends. The unredeemed voucher provision is reviewed regularly and reassessed where there is a material change in the business model or a significant uplift in usage of vouchers over 2 years old.

4. Turnover

The directors consider that the Company operates a single business segment, which comprises services associated with the provision of childcare solutions to UK employers through the operation of a childcare voucher scheme.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Amortisation of intangible assets	400	400
Defined contribution pension cost	53	56
Operating lease rentals	43	47
Share based payment charge	20	20

6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2018 £000	2017 £000
Fees for the audit of the Company	11	11
	11	11

7. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	1,090	1,065
Social security costs	108	104
Defined pension contribution costs	53	56
Share based payment charge	21	20
	1,272	1,245

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

	2018 No.	2017 No.
Management and administration	23	24

8. Directors' remuneration

None (2017 - none) of the Directors were remunerated by the company in either year. All those directors who are remunerated in the UK are remunerated by Computershare Investor Services plc, and hence their emoluments, including entitlements under share based long term incentive plans, are disclosed within the annual report and financial statements of that company. The highest paid director information is also disclosed there.

9. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from group companies	742	59
Other interest receivable	4	3
	746	62

10. Tax on profit

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	1,340	1,602
Adjustments in respect of previous periods	(1,299)	219
	41	1,821
Foreign tax on income for the year	(66)	-
Foreign tax suffered	66	-
	-	-
Total current tax	41	1,821
Deferred tax		
Origination and reversal of timing differences	(188)	(78)
Changes to tax rates	20	62
Adjustment in respect of prior periods	5	-
Total deferred tax	(163)	(16)
Taxation on (loss)/profit on ordinary activities	(122)	1,805

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	13,248	7,711
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	2,517	1,523
Effects of:		
Expenses not deductible for tax purposes	2	-
Adjustments to tax charge in respect of prior periods	(1,294)	219
Tax rate changes	20	62
Non-taxable income	(779)	-
Tax deduction arising from exercise of employee options	(6)	1
Group relief	(582)	-
Total tax charge for the year	(122)	1,805

10. Tax on profit (continued)

Factors that may affect future tax charges

The UK corporation tax rate reduced was 19% for the year to 30 June 2018. A reduction in the corporation tax rate to 17% from 1 April 2020 was given Royal Assent on 15 September 2016. Deferred tax is therefore provided at 17%.

11. Dividends

	2018 £000	2017 £000
Computershare Investments (No.3) (UK) Limited - £11.80 (2017 - £16.40) per £1 share	5,900	8,200
	5,900	8,200

No further dividends have been proposed.

12. Exceptional items

	2018 £000	2017 £000
Royality prior period correction	(4,102)	-
	(4,102)	-

During the period the company agreed an Advance Pricing Agreement with the UK tax authorities relating to license fees payable to Computershare Limited in Australia. The above amount represents refunds for licence fees for prior periods as the result of the final agreement.

13. Intangible assets

	Client List £000
Cost	
At 1 July 2017	3,500
At 30 June 2018	3,500
Amortisation	
At 1 July 2017	2,967
Charge for the year	400
At 30 June 2018	3,367
Net book value	
At 30 June 2018	133
At 30 June 2017	533

Amortisation is charged to administrative expenses within the statement of comprehensive income.

14. Debtors

		2018 £000	2017 £000
Amounts falling due after more than one year			
Prepayments and accrued income		14	11
		14	11

		2018 £000	2017 £000
Amounts falling due within one year			
Trade debtors		719	446
Amounts owed by group undertakings		54,823	30,120
Other debtors		23	4
Prepayments and accrued income		13	13
Deferred taxation	17	1,094	930
		56,672	31,513

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

15. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	34,355	46,315
	34,355	46,315

16. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	927	2,254
Corporation tax	829	801
Taxation and social security	673	664
Other creditors	69,833	64,316
Accruals and deferred income	191	67
	72,453	68,102

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

Other creditors include £64,418 thousand (2017 - £59,639 thousand) in respect of amounts received for unredeemed childcare vouchers.

17. Deferred taxation

	2018 £000	2017 £000
At beginning of year	931	914
Credited/(Charged) to profit or loss	168	16
Adjustment in respect of prior years	(5)	-
At end of year	1,094	930

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Fixed asset timing differences	25	30
Short term timing differences	1,069	900
	1,094	930

18 Other Provisions

	Un-redeemed voucher provision	Annual Leave provision	Total
	£000	£000	£000
At 1 July 2017	5,253	19	5,272
Charged to the profit or loss	4,241	18	4,259
Utilised in year	(3,279)	(19)	(3,298)
At 30 June 2018	6,215	18	6,233

19. Called up Share capital

	2018	2017
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
500,000 (2017 - 500,000) Ordinary shares of £1 each	500	500

20. Share based payments

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

Share incentive plan
Under the terms of the Share Incentive Plan, employees may elect to purchase shares in the ultimate parent over a period of two years via monthly deductions from their gross salary. The purchased shares are matched like-for-like by requesting the employing company to purchase matching shares for allocation to the employee concerned. The matching shares vest fully after two years. The employee is entitled to the economic benefit of dividends on the matching shares from the date of allocation and there are no conditions attaching to the matching shares apart from continued employment with the company. The fair value of matching shares is the market value of those shares on the date of allocation to the employee.

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

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

	2018 £000	2017 £000
Deferred incentive plan	20	20
	20	20

Share incentive plan

The number of shares outstanding at the end of the year was 3,135 (2017 - 951). The weighted average market price of the ultimate parent's shares on the dates on which the awards were granted during the year was AUD16.90 (2017 - AUD12.63).

Deferred incentive plan

The number of shares outstanding at the end of the year was 3 thousand (2017 - 1 thousand). The weighted average market price of the ultimate parent's shares on the dates on which awards were granted during the year was AUD14.56(2017 - AUD10.66).

21. Pension commitments

The Company operates a group personal pension scheme for employees and in addition makes pension contributions to personal pension plans established by individuals. The scheme is a defined contribution scheme and contributions are charged to the profit and loss account as and when they are incurred. All staff are eligible to join the scheme. The Company makes contributions to the scheme of between 1% and 10% of salary in respect of employees. The pension costs for the year were £53 thousand (2017 - £56 thousand). The amount owing at the year-end in respect of such contributions amounted to £NIL (2017 - £NIL).

22. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	24	18
	24	18

23. Related party transactions

The Company is a wholly owned subsidiary of Computershare Investments (UK) (No.3) Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) not to disclose transactions with Computershare Investments (UK) (No.3) Limited or its subsidiaries.

24. Controlling party

Computershare Voucher Services Limited is controlled and 100% owned by Computershare Investments (UK) (No.3) Limited, a company incorporated in England and Wales.

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

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