COMPUTERSHARE | **ANNUAL REPORT** | 2016

CERTAINTY | INGENUITY | ADVANTAGE

Computershare

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 19 September 2016. 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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OVERVIEW

GOVERNANCE

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FURTHER INFORMATION

* 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

	JUNE 2016	JUNE 2015	% CHANGE
STATUTORY RESULTS			
Total revenue	**1,961.1 million**	1,971.3 million	-0.5%
Net profit after non-controlling interests (NCI)	**157.3 million**	153.6 million	2.4%
Statutory earnings per share	**28.55 cents**	27.61 cents	3.4%
MANAGEMENT ADJUSTED RESULTS			
Management EBITDA*	**532.6 million**	554.1 million	-3.9%
Management net profit after NCI*	**303.5 million**	332.7 million	-8.8%
Management earnings per share*	**55.09 cents**	59.82 cents	-7.9%
BALANCE SHEET			
Total assets	**3,977.7 million**	3,801.5 million	4.6%
Total shareholders' equity	**1,108.7 million**	1,177.6 million	-5.9%
PERFORMANCE INDICATORS			
Free cash flow (excluding SLS advances)	**347.4 million**	388.3 million	-10.5%
Net debt to management EBITDA (excluding non-recourse debt)*	**2.12 times**	1.86 times	14.0%
Return on equity*	**26.91%**	28.62%	-6.0%
Staff numbers	**17,839**	15,836	

For a reconciliation between statutory and management adjusted results, refer to note 3 in the notes to the 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

2016

17 AUGUST Record date for final dividend

13 SEPTEMBER Final dividend paid

9 NOVEMBER The Annual General Meeting of Computershare Limited ABN 71 005 485 825

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

TIME: 10.00am

2017

15 FEBRUARY Announcement of financial results for the half year ending 31 December 2016

On behalf of the Board of Directors, we are pleased to present our financial results for FY2016.

The Company expected a challenging FY2016 and we met that challenge head on, able to deliver on the guidance handed down at the beginning of the year despite the continued deterioration in macroeconomic conditions for the Company. We are looking forward enthusiastically, positioning the Company for sustained earnings growth after implementing a number of initiatives to meet this goal.

YEAR IN REVIEW

In constant currency terms (measuring performance based on exchange rates from the prior period), the Group delivered 5.0% growth in management revenues. There was a marginal improvement in management EBITDA, up 0.5%, however when excluding the negative impact of falling yields on client balances, the year-on-year growth was 4.3%. Management earnings per share (EPS) was down 4.3% on a constant currency basis, impacted by higher tax, interest and amortisation expenses.

Our statutory basic earnings per share grew 3.4% year-on-year to 28.55 cents and net statutory profit after tax attributable to members grew 2.4% to $157.3 million. For the reconciliation between our statutory and management results, refer to note 3 on pages 52 to 53 in the notes to the consolidated financial statements.

In actual currency terms, Computershare's key performance indicator, management EPS, was down 7.9% to 55.09 cents. Total revenues were flat at $1,974.2 million while operating costs were up 1.5% to $1,440.2 million. This year, the strengthening of the USD again materially impacted our actual financial results.

Register maintenance revenues fell, due largely to the sale of the Russian business in July 2015, while corporate actions activity was subdued in most markets, other than the US which registered a stronger performance following improved M&A activity.

Business services experienced strong revenue uplift year-on-year, due mainly to growth in US loan servicing, bankruptcy and class actions administration and a contribution from the UK Asset Resolution (UKAR) contract win. The Company's UK business was appointed by UKAR to undertake its mortgage servicing activities under a seven year outsourcing contract, covering GBP 30 billion of UKAR mortgages. Separate contracts for the servicing of GBP 11 billion of assets, purchased by Cerberus from UKAR, were also agreed, with both contracts commencing in June 2016. This is the largest single contract appointment in the Company's history. There were also contributions to the business services segment from acquisitions, particularly HML reporting for the entire period in FY2016 and the purchase of Gilardi. The voucher services and deposit protection scheme businesses in the UK delivered lower revenue than in FY2015.

Employee share plans revenue fell on the prior corresponding period, particularly in the larger UK and US markets. The major catalyst for the fall was reduced equity trading activity by participants, especially energy and mining sector employees, while margin income was also a drag on this segment.

Free cash flows (excluding SLS advances) were 10.5% lower this year at $347.4 million and capital expenditure was $29.9 million, down from $38.6 million last year.

STRATEGY FOR SUSTAINED EARNINGS GROWTH

The Company continues to look at all facets of the organisation and is deploying strategies that it believes position us well for the future:

GROWTH

Significant progress has been made in executing our mortgage services growth strategy with the UKAR appointment and our acquisition of Capital Markets Cooperative LLC (CMC).

EFFICIENCY

Innovation and productivity gains are a key focus to sustain performance in registry. Our strategy is to ensure the employee share plans offering remains at the forefront of the market to leverage ongoing growth in demand for equity based remuneration administration services.

COSTS

A group wide cost reduction project is underway with external specialist input. This is expected to have a material impact on the Group in future periods. Our focus will be on process automation and business simplification. The property rationalisation project in the US remains on track, with savings commencing in FY2017.

MAJOR ACQUISITIONS AND DISPOSALS

Gilardi, a leading class actions administrator in the US, was acquired in August 2015. This acquisition provides a strong strategic fit alongside our existing KCC business in a growing market. In May 2016 the Company completed the purchase of CMC, a business that provides processing, sale and servicing solutions for a wide network of mortgage originators across the US which, combined with our SLS loan servicing business, positions us well for significant growth in the sector.

The Company disposed of its Russian business in response to increased regulatory risk in that jurisdiction surrounding foreign ownership of registry assets as well as VEM, the German Corporate Actions Bank, following regulatory approval obtained during 1H2016. The Company's global headquarters in Melbourne were also sold in June 2016 in a sale and leaseback arrangement, with the transaction completing in September 2016. The gain on sale of the property, net of costs, of $40.3 million will be excluded from management earnings in FY2017.

CAPITAL MANAGEMENT

The Company's issued capital reduced from 556,203,079 ordinary shares, as at 30 June 2015, to 546,826,010, as at 30 June 2016, as a result of the share buy-back announced on 18 August 2015. Under the buy-back program, the Company purchased 9,377,069 ordinary shares during FY2016 for a consideration of AUD 100.6 million at an average price of AUD 10.73 per share. A further 500,000 shares were purchased post 30 June 2016 for an additional AUD 4.6 million consideration, prior to the buy-back program lapsing.

During FY2016 we stated publicly that we intend to maintain our gearing level such that net debt to EBITDA is between 1.75 to 2.25 times (excluding the non-recourse SLS advance facility debt). We also stated that we would look to maintain the flexibility to temporarily go above this range to take advantage of compelling investment opportunities should they arise, while also considering capital management initiatives to preserve leverage within the target band. This key leverage metric increased from 1.86 to 2.12 times at 30 June 2016. Acquisitions, the purchase of mortgage servicing rights and the buy-back contributed to the higher leverage outcome during the year.

DIVIDENDS

The Company announced a final dividend of AU 17 cents per share, 20% franked, paid on 13 September 2016 (dividend record date of 17 August 2016). This follows the interim dividend of AU 16 cents per share, 100% franked, paid in March 2016. Overall, our dividend increased 6.5% year-on-year. The Company continues to operate a dividend reinvestment plan. A new dividend franking policy was deployed during the year, providing shareholders access to maximum allowable franking credits.

OUTLOOK

We announced in August 2016 that we expected management EPS for FY2017 to be slightly up on FY2016.

This outlook assessment is subject to the forward-looking statements disclaimer in our annual results announcement and assumes that equity markets and interest rate markets remain at the levels that existed at the time of providing that guidance and that FY2017 corporate action revenue is similar to FY2016. The FY2017 guidance is now given in constant currency terms to better illustrate Group underlying performance.

ACKNOWLEDGEMENTS

We would again like to thank our clients who continue to use our market-leading products and services around the world. We greatly appreciate the contribution from our employees across the globe, and thank our fellow directors for their ongoing support and guidance.

We appreciate our shareholders' loyalty and welcome feedback via investor.relations@computershare.com.au.

Simon Jones
Chairman

Stuart Irving
Chief Executive Officer

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 document composition and printing, 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 saw revenues lower as a result of the sale of the Russian business and the impact of the stronger USD. Register maintenance in the US was impacted by loss of clients due to M&A and lower shareholder activity, offset in part by new client wins. Register maintenance revenue grew in HK and UCIA but was lower in Canada and India. Corporate actions revenue was stronger in the US, underpinned by the strong M&A cycle. Corporate actions revenues in HK, Australia and UCIA were lower year-on-year. At the EBITDA level, the consolidated investor services business improved 2.6% over FY2015 on a constant currency basis.

The plan services business had lower revenues this year, due primarily to significantly weaker transaction activity, particularly from employees in the energy and resources sectors. UCIA was impacted the most, with the US and Australia also weaker. In contrast, the HK and Canadian employee share plan businesses improved year-on-year. Overall, at the consolidated level, EBITDA was down 20.8% in constant currency terms, partly affected by increased regulatory costs and investment in service, product and systems.

Business services' revenue grew 21.2% on FY2015 in constant currency terms. The substantial improvement was due to a full period contribution from HML, growth in mortgage services, bankruptcy and Indian mutual funds, the start of the UKAR contract appointment as well as the Gilardi and CMC acquisitions. Weaker outcomes were seen in the deposit protection scheme and voucher services businesses in the UK. Business services' EBITDA grew 13.9% year-on-year on a constant currency basis. The Communication Services business had a strong year, with revenue increasing 7.6% and EBITDA up 27.4% in constant currency as volumes increased, particularly in Australia and also in the US and Canada.

Disposals of the Russian business and VEM Aktienbank AG occurred early in FY2016, after both these assets were classified as 'held for sale' at 30 June 2015.

Revenue

Region	% of total revenue*	FY2016 $ million	FY2015 $ million
Asia	**6.5%**	**128.0**	124.6
Australia and New Zealand	**13.6%**	**266.9**	309.6
Canada	**8.5%**	**166.1**	186.7
Continental Europe	**4.1%**	**81.0**	113.3
United Kingdom, Channel Islands, Ireland and Africa (UCIA)	**18.4%**	**359.4**	358.6
United States	**48.9%**	**957.9**	870.5

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

Operating costs

Operating expenses were up 6.8% on FY2015 to USD 1,516.3 million in constant currency terms. The increase was driven by a number of factors, including the impact of acquisitions net of disposals, costs associated with revenue related activity (business mix) and 'business as usual' operating expenses that included investment in product development and innovation, increases in regulatory compliance costs, salary increases and some rightsizing costs. Technology costs as a percentage of revenue remained flat at 12.0%, largely unchanged from the prior two years.

Earnings per share

	2016 cents	2015 cents
Statutory basic earnings per share	**28.55**	27.61
Statutory diluted earnings per share	**28.51**	27.56
Management basic earnings per share	**55.09**	59.82
Management diluted earnings per share	**55.00**	59.72

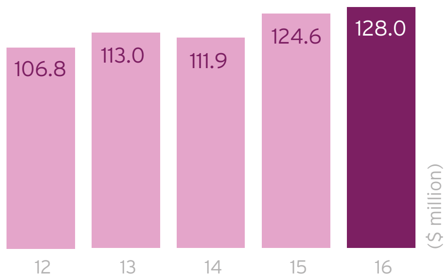
The management basic and diluted earnings per share amounts have been calculated to exclude the impact of management adjusted items (refer to note 3 in this financial report).

5,200 EMPLOYEES (INCLUDES INDIAN JV)

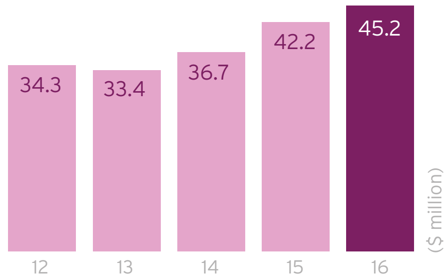
RESULTS

Our Indian joint venture delivered record results on the back of growth in the funds administration business. Ongoing growth in our Hong Kong registry and employee plans administration business also enhanced regional performance.

REVENUE **+2.8%**



MANAGEMENT EBITDA **+7.1%**



ACHIEVEMENTS

BIG CLIENT WINS

Hong Kong and China

- China Reinsurance IPO
- Listings worth **90%** of total IPO value in Hong Kong, or **54%** in terms of the number of new listings on the main board
- Alihealth for employee share plan services

India

- Larsen & Toubro Ltd and Aditya Birla Group for registry services

WE MANAGE

- **78%** of Hang Seng Index
- **97.5%** of China Enterprise Index
- **53%** of BSE Sensex

EXECUTED

- Proxy services for the restructure of China's two shipping conglomerates, China Cosco and China Shipping, involving **74** asset transactions worth **60 billion** RMB
- **823** meetings across Hong Kong and China, including a record **7,200** shareholders at the ICBC AGM

EXPANDED

Our Indian JV into Malaysian and Philippines markets for Mutual Fund RTAs

INNOVATIVE SOLUTIONS

KPRISM mobile application for IPO investor queries and service requirements in India

FOCUS FOR FY2017

Focus on improving and automating processes to drive operational efficiencies

Explore opportunities to further leverage our Plan Managers Asia team into new areas of the plan administration market

Continue to bring enhancements to our offering in the advisory space for corporate governance and shareholder engagement to help our clients meet increasing market regulations

Continue to work closely with the Hong Kong Securities & Futures Commission to drive reforms that enhance efficiency across the market

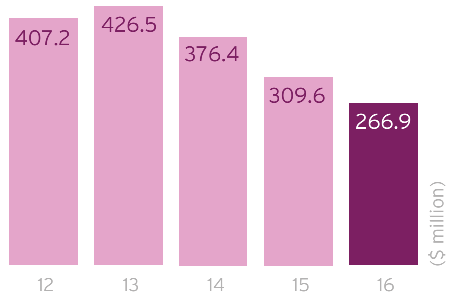
AUSTRALIA & NEW ZEALAND

1,200 EMPLOYEES

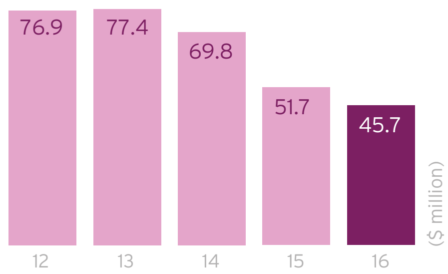
RESULTS

Resilient performance by our registry and communication business lines in Australia and New Zealand drove solid results across the region, however, the stronger USD impacted translated profits.

REVENUE **-13.8%**



MANAGEMENT EBITDA **-11.4%**



ACHIEVEMENTS

RATED

- **98%** positive in the JP Morgan Australian Registry Service Provider Survey
- **Top 20** Most Attractive Employers by Randstad

WE MANAGE

- **70%** of the ASX20
- **60%** of listed companies on the NZX Main Board

EXECUTED

- Large Corporate Actions for Asciano, Santos, NAB and Transurban in excess of **AUD 18 billion**
- The listing of Reliance, Australia's largest IPO in FY2016
- All of NZX Main Board listings, including the IPO of Tegel Group Holdings Limited

HELPED OUR CLIENTS WIN

Employee Ownership Australia and New Zealand Awards for South 32, Singtel and Goodman Group

INNOVATIVE SOLUTIONS

Global wire payments
Allows shareholders to receive their payments in over **100** currencies

Investor Trade
Since its launch in May 2015, we've processed over **17,000** trades totalling **45 million** shares

ACHIEVED

ISO9001 quality management accreditation for Utility Services

FOCUS FOR FY2017

- Retain key accounts through proactive account management, market-leading products and superior service
- Continue to be first to market with innovative solutions on our industry-leading technology platforms
- Focus on lowering costs and automating processes to drive further operational efficiencies
- Grow the inbound services revenue of our Communication Services business by focusing on the mortgage and superannuation verticals

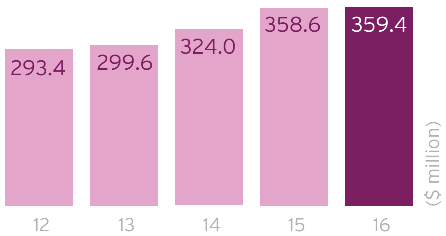
UNITED KINGDOM, CHANNEL ISLANDS, **IRELAND** & **AFRICA (UCIA)**

4,900 EMPLOYEES

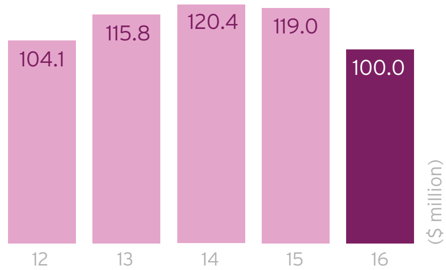
RESULTS

Our registry business delivered another year of consistent results but the region was impacted by the combined effects of lower transactional levels and investments in the employee share plan business, lower yields on client balances across a number of products and the stronger USD impacting translated profits.

REVENUE **+0.2%**



MANAGEMENT EBITDA **-15.9%**



ACHIEVEMENTS

RATED

Number 1 in the 2016 Capital Analytics Survey of Registrars, for the **7th time in 10 years**

- 1st place in all eight headline categories
- 96% overall satisfaction
- 99% in account management and service to company categories

APPOINTED

by the UK government to service **£41 billion** of mortgage assets

WELCOMED

1,700 new employees from UK Asset Resolution

BIG CLIENT WINS

- Henry Boot and Blackrock Strategic Investment Fund for registry services
- Valero, Curtis and HomeServe for employee share plan services
- Rolls Royce, Tesco, Easyjet for proxy services

WE MANAGE

- Registry or share plan services for **60%** of the FTSE100
- **£73 billion** mortgage assets under administration, **62%** of 3rd party market
- Over **65%** of the Irish Stock Exchange Equity Index
- **60%** of the Channel Islands listed funds market
- **86%** of South African market by market capitalisation

EXECUTED

- **£3.3 billion** Rights Issue for Standard Chartered plc across UK and Hong Kong registers
- Significant dealing programmes for Verizon and Vodafone across UK and Ireland, with **£112 million** worth of shares sold
- Complex acquisition of Cable & Wireless by Liberty Global, by our Channel Islands business
- Proxy services for Shell's acquisition of BG and Nokia's bid for Alcatel Lucent
- **70%** of IPOs in Ireland

WON

Global Equity Organisation's **award** for **Best Plan Effectiveness**, for Computershare's One Plan

HELPED OUR CLIENTS WIN

- Global Equity Organisation **awards** for Nokia, SAP and Unilever
- ESOP **awards** for Amadeus, Telefonica and Shell
- ProShare **awards** for Aviva and ASDA

RETAINED

license for the Deposit Protection Service (DPS) to operate the custodial deposit scheme for a further **five years**

INCREASED

- value of deposits protected by DPS by **11%**
- funds under management by DPS to **£1.18 billion**
- parent numbers for Voucher Services by **4.8%**, to **147,000**

INNOVATIVE SOLUTIONS

- **Redesigned** the UK Electronic Initial Public Offering website
- **IFRS9 solution:** Our data-driven solution removes the administrative headache associated with new accounting standards for mortgage lenders, SPVs and other portfolio owners

FOCUS FOR FY2017

Deliver on the loan services transition and integration following the FY2016 UKAR appointment

Complete the plans technology and operations investment to drive revenue growth and improve operational performance

Capitalise on our position in market as No.1 registrar to drive new business wins and opportunities

Support our clients through the Brexit process as the impacts and new requirements become clearer

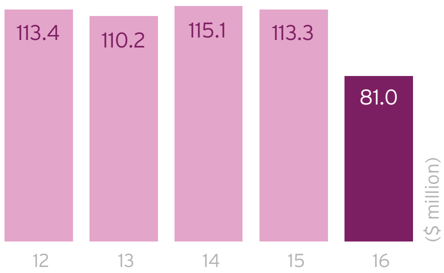
CONTINENTAL EUROPE

350 EMPLOYEES

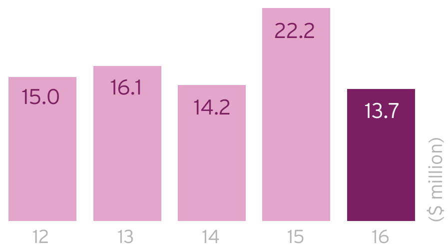
RESULTS

The registry business delivered another satisfactory year, but overall regional results were impacted by the disposal of the Russian business, weakness in employee share plan transactional levels and the stronger USD impacting translated profits.

REVENUE **-28.5%**



MANAGEMENT EBITDA **-38.0%**



ACHIEVEMENTS

COMPLETED

- Integration of PR IM TURM, German AGM business
- ISO9001 certification for our German Communication Services business in Munich

BIG CLIENT WINS

- Telefonica, Spain's first registry services contract
- SAP SE and Maire Tecnimont S.p.A, for employee share plan services

WE MANAGE

- **90%** of AGMs for DAX30 issuers in Germany
- **75%** of issuers in Italy
- **80%** of issuers in Denmark
- **76%** of issuers in Netherlands

EXECUTED

- IPO of Ferrari, dual-listed in Milan and New York
- IPO of DONG Energy, one of the biggest ever IPOs in Denmark
- IPO of ENAV, listed in Italy
- **Two of the top three** IPOs in Germany this year
- AGM for Siemens AG, with circa **9,000** shareholders

MOVED

The Munich team into a new sustainable building, our biggest site in Continental Europe

INNOVATIVE SOLUTIONS

Smart voting mobile application for German AGMs

FOCUS FOR FY2017

Retain our market-leading position across the region by enhancing our front office skills and cross-selling capabilities

Target new revenue opportunities that leverage our meeting expertise for large clubs and associations

Continue to monitor the central Securities Depositary regulations and Shareholder Rights Directive as Target 2 Securities is rolled out across Europe

Support our US-based class action administration business to deliver projects and win clients across Europe

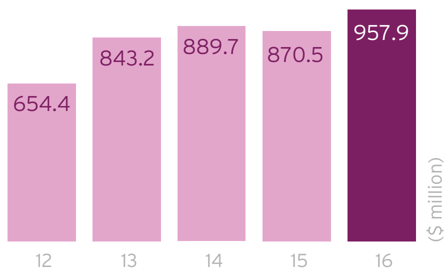
UNITED STATES

3,900 EMPLOYEES

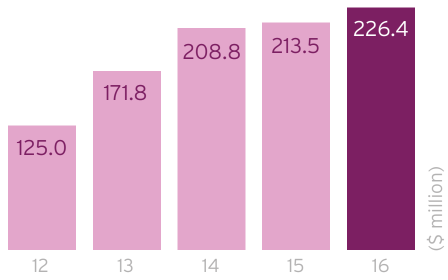
RESULTS

Stronger corporate action activity and growth across the mortgage services, bankruptcy and the class action administration business led to another year of improved regional results.

REVENUE **+10.0%**



MANAGEMENT EBITDA **+6.0%**



ACHIEVEMENTS

RATED

- **94%** satisfaction from our registry clients
- **91%** satisfaction from our employee share plan clients

COMPLETED ACQUISITIONS

- Gilardi, class-actions business
- Capital Markets Cooperative and Altavera, which together with SLS now form Computershare Loan Services

BIG CLIENT WINS

- Coca-Cola European Partners, STERIS and **30** closed-end funds for Legg Mason for registry services
- CH2M Hill Companies and Cabela's Inc. for plans services
- **15** mortgage servicing deals including new sub-servicing contracts with Freddie Mac and BlackRock
- **413** class action settlement administrations

WE MANAGE

- **77%** of DOW 30

EXECUTED

767 corporate actions, including merger deals for:

- Charter Communications and Time Warner Cable: Deal value **$78.7 billion**
- AT&T and DirecTV: Deal value **$67 billion**
- Avago Technologies and Broadcom: Deal value **$77 billion**

INNOVATIVE SOLUTIONS

Iconsent website: Helps clients to determine employee interest in joining share purchase plans

FOCUS FOR FY2017

Continued focus on efficiency initiatives, including progressing our property rationalisation project away from high-cost locations to improve operating margins

Execute a range of front office initiatives, including generating new sources of revenue in our traditional markets

Complete integrations of the CMC and Altavera acquisitions to support the ongoing growth in our loan servicing business line

Deliver on the growth plans for our class actions and employee share plans businesses

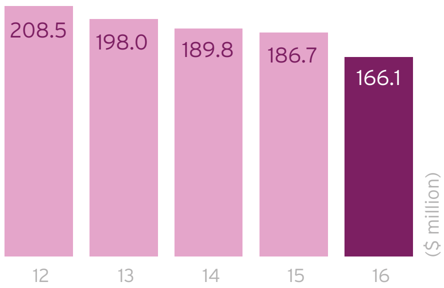
CANADA

900 EMPLOYEES

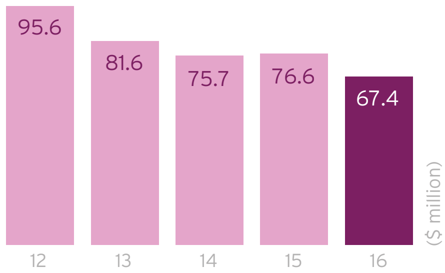
RESULTS

Despite the full year impact of lower interest rates and soft market conditions, the region delivered another year of solid results. Like most other regions, translated profits were impacted by the stronger USD.

REVENUE **-11.0%**



MANAGEMENT EBITDA **-12.0%**



ACHIEVEMENTS

RATED
- **94%** satisfaction from our registry clients
- **9.5/10** for performance by our Communication Services clients

COMPLETED
- The integration of SyncBASE and Valiant Trust Company clients and staff

BIG CLIENT WINS
- Hydro One IPO
- Sleep Country Canada IPO

EXECUTED
- Key corporate actions for over **300** companies in excess of **CAD 39 billion**, including Royal Bank of Canada's **CAD 5.4billion** purchase of City National Bank and Suncor's **CAD 3.8 billion** acquisition of Canadian Oil Sands
- Subscription Receipt Offering for TransCanada Corporation, with aggregate proceeds of **CAD 4.4 billion**

WE MANAGE
56% of TSX

INNOVATIVE SOLUTIONS

Dividend FX
Allows issuers to fund multi-currency dividends with one single-currency payment

Facilitating Online and Call Centre Dividend Reinvestment Plan (DRIP) transactions
This service is an industry first in Canada, which simplifies the sale and transfer process for DRIP participants.

Online tendering solution
For shareholders that participated in the Restaurant Brands International Asset Reunification program

FOCUS FOR FY2017

- Retain key accounts through proactive account management, demonstrating industry involvement and leadership and providing superior service
- Pursue growth through our recently expanded private capital solutions, online capabilities and class action service offering
- Continue to develop new/enhanced product offerings and services that generate new sources of revenue
- Continued focus on cost reduction through automation and process improvement initiatives

GLOBAL TECHNOLOGY

1,300 EMPLOYEES

RESULTS

TOTAL TECHNOLOGY SPEND

$236.4M

TOTAL SPEND AS A PERCENTAGE OF REVENUE

12.0%

RESEARCH AND DEVELOPMENT SPEND

$76.9M

ACHIEVEMENTS

LAUNCHED

- Investor Centre, designed for mobile devices, deployed to our Australian and American clients
- On-demand reporting for employee share plan clients across the globe
- New computershare.com corporate website
- Loss mitigation capability for our US loan servicing businesses

SECURITY INITIATIVES

- Enhanced our disaster recovery position in North America by deploying a new metro zone disaster recovery site
- Refined our data loss prevention processes, scanning seven million files per week to keep data secure
- Enhanced Security Programme has delivered complex and privileged access controls to reduce the risk of unauthorised access to our clients' data

DRIVING SYNERGIES

- Moved HML into our centralised UK data centre, harnessing global platforms and Shared Service systems for the loan management business
- Deployed our operational suite to our Hong Kong business, improving transaction management and streamlining processes
- Implemented a hyper converged infrastructure for our Munich and Hong Kong offices, improving system performance speed and reducing the support required

PRODUCT INNOVATIONS

- Improving the digital experience for employee share plans through refreshing the user interface of Employee Online and providing advanced capabilities and features for our clients
- Developing our first data insight/business intelligence dashboards for clients, delivering descriptive, comparative and prescriptive analytics

FOCUS FOR FY2017

- Integrate and consolidate Computershare Mortgage Services technology across our infrastructure landscape
- Deliver products and services to our employee share plans business, capitalising on existing capabilities and driving enhanced client engagement solutions
- Drive data services solutions to provide clients with a secure environment to generate data insights and encourage data driven innovation across our portfolio
- Continue with product innovation, focusing on process automation and cloud technologies to drive consistency and improved cost agility

GLOBAL CAPITAL **MARKETS**

ACHIEVEMENTS

BIG CLIENT PROJECTS

- **$28 billion** tri-company merger of Coca-Cola Enterprises, spanning UK, US, Germany, France, Netherlands and Spain
- **$5.3 billion** acquisition of Cable & Wireless by Liberty Global
- **$2.3 billion** demerger of CYBG plc from National Australia Bank
- **$10 billion** demerger of Ferrari from FiatChrysler; following **$900 million** Ferrari IPO
- **$6.3 billion** merger between Rexam and Ball Corp., including provision of a Depositary Interest, a Corporate Sponsored Nominee and Dealing service

MANAGED

- **14** redomiciliation transactions in FY2016. More broadly, the trend for non-US companies looking to list in the US in the form of shares continues
- **47** other cross-border deals completed in FY2016 around the world

SETTLEMENT PROCESSING

Over **35,000** transactions processed across eight markets (including transactions for UK and Irish share plans), with a total value of over **$34 billion**

REGULATORY AND MARKET INITIATIVES

Engaged with industry stakeholders on:

- Regulatory approach to capital markets for blockchain
- CSD regulations across EU
- SEC's regulation of Transfer Agencies in the US
- Vote confirmation pilots in UK, US and Netherlands

INNOVATIVE SOLUTIONS

- Partnered with SETL and demonstrated Australia's first working blockchain capital markets solution
- Developed solution to support prospective offering for digital securities on blockchain for Overstock.com
- Developed various use cases for potential application of blockchain in capital markets
- Cross-border application xSettle™ released into New Zealand

FOCUS FOR FY2017

Continue to explore and develop innovative applications for blockchain, in particular for capital markets, across Computershare's core markets

Continue to service and develop innovative structures for a wide range of cross-border transactions, including redomiciliations, M&A and IPO transactions

Monitor and engage with key industry stakeholders on global regulatory and market initiatives

Assess process automation technology to implement further efficiencies for xSettle™, our cross-border settlement processing platform

CORPORATE RESPONSIBILITY

We know that corporate responsibility is part of doing business successfully. Computershare is committed to acting in an environmentally friendly and socially responsible manner and we seek to do so throughout our global business operations and activities.

SUSTAINABILITY

We have sustainability targets and environmental programs in place around the globe to further minimise our already low impact on the natural world, underpinned by a set of yearly objectives.

REVIEW OF FY2016 SUSTAINABILITY OBJECTIVES

Successful Green Office Challenge 6

More than 80% of offices undertook a sustainability audit comprising 42 questions covering energy, resources, transportation and waste. In all, 62 offices took part in the challenge across 15 countries, most of which improved their score.

Successful Green Days

Excellent participation in the Carbon Games, with more than 3,000 people calculating their personal carbon footprint. We also participated in Earth Hour, World Water Day and other local initiatives such as litter picks.

Plan to achieve Phase 1 reduction targets

Offices have local plans in place and are continuing to work towards their targets, which you can view at www.computershare.com/cr. Here's a summary of our efforts to reduce gas, electricity, water and waste in four key premises by 2018:

General waste

The Pavilions, Bristol and Burr Ridge, Chicago have reached and maintained their targets.

Electricity

East Beaver Creek, Toronto and Burr Ridge have reached and maintained their targets.

Natural gas

The Pavilions has maintained its target, with Yarra Falls, Melbourne and Burr Ridge also reaching and maintaining their targets during the past year.

Water

Burr Ridge has reached and maintained its individual site target.

Identify and implement new targets for additional offices

Targets have been put in place for Hong Kong and Auckland.

Implement first sustainability principles globally

Our sustainability principles have been launched globally along with new promotional material to raise awareness.

Undertake green IT maturity assessment

The maturity assessment has been completed providing a benchmark across regions. Data centre relocations in the UK, USA and Continental Europe have also significantly driven down energy consumption.

LOCAL ACHIEVEMENTS

Employees' participation drives our sustainability efforts. Visit our website to see more of our environmental achievements.

Osborne Park, Australia
pallet garden created by employees to grow plants and herbs

Holte, Denmark
100% of electricity is now provided by off-shore wind power

Canton, MA, USA
reserved parking introduced for high occupancy or high efficiency vehicles

Toronto, Canada
introduced coffee pod recycling

AWARD WINS

Yarra City Council Sustainability Awards - Sustainable Business

For commitment to sustainable business operations, staff engagement initiatives and development of community partnership building.

Bristol Green Capital Awards 2016 - Green organisation

In recognition of Computershare's commitment to making Bristol, the West of England and our planet become greener, safer and cleaner.

Bristol Go Green Awards 2016 - Most improved sustainable sourcing

For demonstrating sustainable purchasing practices by sourcing Fairtrade goods and ensuring ethical standards are maintained throughout the supplychain.

VISIT OUR WEBSITE FOR MORE INFORMATION
www.computershare.com/cr

COMMUNITY

In addition to the volunteer opportunities that we give our employees each year, many staff members also contribute to ongoing community events and charity initiatives in their local area.

100,000KM
133 colleagues in Australia collectively walked and ran 100,000km as part of the Global Corporate Challenge

35,700KM
35,700km cycled in Africa, raising R3.9 million

500+
Winter clothes appeal in Australia – 500+ items donated to homeless people

200+
200+ outfits donated to Dress for Success events in Brisbane and Dublin

70
70 boxes of clothing donated to Syrian refugees

12HR
12 hour charity spinathon

1
1 sky dive event

Food and gift drives in Australia, Canada, United States and United Kingdom

CHANGE A LIFE

DONATIONS OF OVER **AUD 970,000** SUPPORTED OUR PROJECTS IN FY2016

Founded in 2005, Change A Life is our global community giving program that invests in projects that provide long-term solutions to the communities involved. We focus on long-term change that is felt on a global stage and provides an opportunity for people to build up their skills for a brighter and more sustainable future.

PROJECTS COMPLETED IN FY2016

Kenya – Community Learning Centres

From 2012 to 2015, we funded a project run by World Vision Australia to develop three Community Learning Centres (CLCs) in rural Kenya. These centres are equipped with electronic encyclopaedias and other learning aids, and were designed to help communities access health and development information through technology.

- **6,165** people accessed information
- **5,220** children completed training in the use of technology
- **18** communities have been formed for the exchange of information
- **235** youth and community members have been trained on how to generate and share local information

WithOneSeed

In 2012, Change A Life committed AUD 350,000 over three years to help build a small community forestry program, high in the mountains of Timor Leste. The program established Community Tree Cooperatives across 10 villages in Baguia, covering a mountainous region of 22,000 hectares, 35 schools and a population of 14,000.

- **450** farmers, **56,000** trees
- **3** community-based nurseries with the capacity to propagate over **20,000** saplings annually
- established a Village Learning Centre, connecting the community to the internet
- injected over **$150,000** into the local economy
- certified under the International Gold Standard for Afforestation/Reforestation

CURRENT PROJECTS

Sri Lanka - Come-Share Education Project

Supported since 2005

- Covers **21 out of 25** districts in Sri Lanka
- Tuition provided to **1,400** students

Talensi, Ghana - Farmer Managed Natural Regeneration

Change A Life's sixth World Vision project

- Fourth year of a five-year project, due to complete in 2017
- Aims to reduce the annual hunger gap for over **8,400** children and their families

Sihanoukville, Cambodia – Sunrise Village

Supported since 2007

- The village includes a medical and dental clinic, **12** houses and **4** kitchens, an administration building, **4** classrooms, a computer lab and dance and music hall
- Housed around **100** children

NEW PROJECTS

Change A Life Rape Crisis Centre

The Change A Life Rape Crisis Centre, located in South Africa, provides sanctuary for victims of violent crime. Renovations to the Khayelitsha Centre, for which Change A Life donated the funds, were completed at the beginning of 2016 and a food garden has been planted. Survivors, many of whom do not have any means of support, are given the opportunity to join the sewing, gardening and catering projects run by the Centre. South African staff contributed donations of over R157,000 in FY2016.

OUTLOOK

In August 2016, we reported that we expect management EPS in constant currency to be slightly up on FY2016.

The outlook assessment is subject to the forward-looking statements disclaimer in our annual results announcement and assumes that corporate actions revenue is similar to FY2016, and that interest rate markets perform broadly in line with expectations that existed at the time of providing that guidance and equity markets remain at the levels that existed at the time of providing that guidance.

Computershare's strategy is to be the leading provider of services in our selected markets by leveraging our core skills and competencies to deliver outstanding client outcomes from engaged staff. We focus on new products and services to reinforce market leadership in established markets and invest in technology and innovation to deliver productivity gains and improved cost outcomes.

Our key growth drivers are as follows:

ORGANIC

We are investing in mortgage servicing, employee share plans and an enterprise wide cost out program which, coupled with property rationalisation benefits, is expected to drive growth and improved returns.

MACRO

We are leveraged to corporate actions and equity market activity and a rising interest rate environment, which should help drive improved yields on client balances.

STRUCTURAL

We are considering how we best position ourselves to benefit from the emerging trend of new non-share registry outsourcing that is being driven by rising compliance, technology complexity and the requirement for efficient processing, payments and reconciliations.

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 employee share plan administration
- evaluating new business opportunities, but with high investment hurdle thresholds

In delivering on our strategic focus, we remain cost focused and have made significant progress through FY2016 on centralising our US operations, which is expected to yield project benefits of $25-$30 million on an annualised basis. We have also commenced a group wide cost review project. Further enhancements to our business services portfolio were achieved with the Gilardi acquisition opening up new opportunities for our US class actions administration business, and the acquisition of CMC, which we expect to considerably strengthen our US mortgage servicing operation. Our UK mortgage services business was appointed by the UK Government to service a GBP 30 billion book of UKAR mortgage loans and was also appointed to service an additional GBP 11 billion of similar assets purchased by Cerberus, which was a significant milestone.

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

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.

Computershare has a clear approach to the oversight and management of risk, 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.

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.

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.

FY2016 has seen the emergence of distributed ledger technology or 'blockchain' as a technology, which has the potential to be deployed across financial market systems, including post trade clearing and settlement of securities. Deployment of distributed ledger technology into financial markets, if it ultimately proves to be a viable option, will require extensive dialogue and consultation with regulators and industry participants and its ultimate market structure implications are not yet known.

Computershare is adopting a measured and considered approach to blockchain. We are pursuing a dual track approach in terms of assessing the commercial value of introducing innovative blockchain services in market adjacencies, while also rigorously defending our existing role and overall market positioning. We also believe that our global presence makes us an attractive partner to blockchain solution providers and gives us access to a wide range of potential commercial blockchain opportunities.

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 has inevitably changed the focus of our 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 employee share plan administration. We have a deliberately focused acquisition strategy with 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, which can be challenging to predict. Changes to market activity generally and 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 financial crime 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.

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. Computershare's governance arrangements complied with each of the recommendations set by the ASX Corporate Governance Council throughout the reporting period, except as identified in this statement.

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 19 September 2016.

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 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:

Leadership and governance	Total out of eight Directors
Strategy	8
Innovation and entrepreneurship	4
CEO level experience	5
Other non-executive director experience	7
Corporate governance	6
Business experience	
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
Financial and risk	
Accounting and finance	5
Banking and treasury	5
Audit, risk management and compliance	5
Other	
Technology	5
HR / remuneration	5
Geographic experience	
North America	6
UK and Europe	8
Asia	3
Australia	6

There was no change to the composition of the Board during the reporting period.

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.

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:

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

Position: Chairman
Age: 60
Independent: Yes
Years of service: 11

Term of office

Simon Jones was appointed to the Board in November 2005 as a non-executive director. Simon was last re-elected by shareholders in 2014 and was appointed as Computershare's Chairman in November 2015.

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

Stuart Irving

Position: Chief Executive Officer
Age: 45
Independent: No
Years of service: 2

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

Christopher John Morris

Position: Non-Executive Director
Age: 68
Independent: No
Years of service: 38

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 and subsequently stood down as Chairman in November 2015. Chris was last re-elected in 2015.

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

Penelope Jane Maclagan
BSc (Hons), DipEd

Position: Non-Executive Director
Age: 64
Independent: No
Years of service: 21

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 2015.

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: 53
Independent: Yes
Years of service: 5

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

Arthur Leslie (Les) Owen
BSc, FIA, FPMI

Position: Non-Executive Director
Age: 67
Independent: Yes
Years of service: 9

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 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

Tiffany Lee Fuller
B.Com, GAICD, ACA

Position: Non-Executive Director
Age: 46
Independent: Yes
Years of service: 2

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 Costa Group Holdings Limited (appointed in 2015)
Non-Executive Director of Smart Parking Technologies (since 2011)
Non-Executive Director of Adslot Limited (2011 to 2014)

Board Committee membership

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

Joseph Mark Velli
BA, MBA

Position: Non-Executive Director
Age: 57
Independent: Yes
Years of service: 2

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 Convergex Group.

Other directorships and offices

Non-Executive Director of Paychex, Inc.

Board Committee membership

Chairman of the Remuneration Committee
Member of the Nomination Committee

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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 was Chairman of the Board until November 2015. Although not an independent director, the Board had been of the view that given Chris Morris, as founder of the company more than thirty years ago and the driving force behind Computershare's transformation into a successful global public company, it was appropriate that he held the position of Chairman when he relinquished his CEO position in 2006.

In November 2015, Computershare announced that Chris Morris was stepping down as Chairman and would remain on the Board as a non-executive director and Simon Jones was appointed as Chairman. Simon Jones was the Lead Independent Director for Computershare whilst Chris Morris was Chairman. Given Simon Jones is an independent director, no other director was appointed into that role when Simon Jones became Chairman.

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 four other meetings 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 Tiffany Fuller. The Committee currently has two other permanent non-executive members, Simon Jones 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 Simon Jones in his capacity as Chairman of the Board. Although not an independent director, Chris Morris was Chairman of the Nomination Committee until he stood down as Chairman of the Board in November 2015.

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

The Committee is chaired by Joseph Velli. 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 has established an Acquisitions Committee. 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 29 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 2016, 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 2016, see the Remuneration Report, which starts on page 32 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.

Directors also completed a questionnaire relating to Board and Committee performance during the reporting period and the Board then reviewed the responses. 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 is responsible for engaging directly with directors on any individual performance concerns. Directors are able to raise concerns they might have with an individual director's performance directly with the Chairman.

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 did not take 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 105) 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

With two newly appointed global diversity champions, we anticipate that there will be positive updates for both our diversity policy and objectives in FY2018, with FY2017 being a year of transition. This report reflects the situation in FY2016.

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	FY2016 Results
1. Recognised opportunity culture		
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 6.7 (out of ten).
2. Development of high potential women		
As part of the company's succession planning process, high potential women are identified and developed for career progression.	High potential women are identified and are actively developed for career progression. Their development is reviewed annually.	Regional heads reviewed the progress of identified high potential women as part of the annual employee review process.
3. Mentoring and networking women		
Where identified as valuable, mentoring and/or networking programmes are implemented to develop women in our business.	Programme implementation and results are reviewed annually.	Mentoring and/or networking programmes are available on a needs basis to employees.
4. Improve support for pregnancy and maternity leave		
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%.
5. Flexible working arrangements implemented		
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. Requests for a flexible arrangement are assessed by Human Resources and the business unit involved.

Gender diversity statistics

Role category	Total	Male	Female	Male %	Female %
Board (inc. CEO)	8	6	2	75%	25%
Direct Reports of CEO	13	12	1	92%	8%
Company Executive	98	74	24	76%	24%
Senior Manager	471	305	166	65%	35%
Manager	2,092	1,100	992	53%	47%
Other	9,983	4,315	5,668	43%	57%
Totals	12,665	5,812	6,853	46%	54%

Data valid as at 30 June 2016. Our joint venture in India where Computershare is not the active manager is excluded.

12. WORKPLACE GENDER EQUALITY REPORT

In accordance with the requirements of the Workplace Gender Equality Act 2012, on 19 May 2016 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.

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 2016, as detailed on page 105 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 2015.

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 Conduct 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 Conduct 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 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.

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 45 of this Annual Report. 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 44 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 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. The Group Whistleblower Officer also provides quarterly reports to the Group Risk and Audit Committee on any concerns reported over the period.

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 pages 14 to 15 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

The Board of Directors of Computershare Limited has pleasure in submitting its report in respect of the financial year ended 30 June 2016.

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

Simon David Jones (Chairman effective 11 November 2015)

Christopher John Morris (Chairman until 11 November 2015)

Tiffany Lee Fuller

Markus Erhard Kerber

Penelope Jane Maclagan

Arthur Leslie Owen

Joseph Mark Velli

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 page 5 and forms part of this report.

CONSOLIDATED PROFIT

The profit of the consolidated entity for the financial year was $161.8 million after income tax. Net profit attributable to members of the parent entity was $157.3 million, which represents an increase of 2.4% on the previous year's result of $153.6 million. Profit of the consolidated entity for the financial year after management adjustment items was $303.5 million after income tax and non-controlling interests. This represents a decrease of 8.8% on the 2015 result of $332.7 million.

Net profit after management adjustment items is determined as follows:

	2016 $000	2015 $000
Net profit attributable to members of the parent entity	**157,334**	153,576
Management adjustment items (net of tax):		
Amortisation		
Intangible assets amortisation	**64,043**	58,520
Acquisitions and disposals		
Acquisition and disposal accounting adjustments	**46,341**	(6,583)
Foreign currency translation reserve write-off on disposals	**25,904**	-
Gain on acquisition	**(8,891)**	(670)
Acquisition and disposal related expenses	**2,408**	3,552
Acquisition related restructuring costs	**1,304**	6,014
Asset write-down	**1,687**	5,241
Gain on disposal	**(325)**	(7,631)
Other		
Major restructuring costs	**8,465**	1,226
Put option liability re-measurement	**7,526**	7,749
Marked to market adjustments – derivatives	**(2,256)**	2,204
Voucher Services impairment	**-**	109,536
Net profit after management adjustment items	**303,540**	332,734

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 2015 was declared on 12 August 2015 and paid on 15 September 2015. This was an ordinary dividend of AU 16 cents per share franked to 25% amounting to AUD 89.0 million ($64.7 million).

An interim dividend was declared on 10 February 2016 and paid on 16 March 2016. This was an ordinary dividend of AU 16 cents per share franked to 100% amounting to AUD 87.8 million ($63.8 million).

A final dividend in respect of the year ended 30 June 2016 was declared by the directors of the Company on 10 August 2016 and paid on 13 September 2016. This was an ordinary dividend of AU 17 cents per share, franked to 20%. As the dividend was not declared until 10 August 2016, a provision was not recognised as at 30 June 2016.

REVIEW OF OPERATIONS

The review of operations is outlined in the Group and Regional Operating Review set out on page 5 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 page 5 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

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 16 to 17 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 2016 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	487,606
TL Fuller	2,000	-
SD Jones	17,000	-
ME Kerber	40,000	-
PJ Maclagan	11,902,025	-
CJ Morris	37,431,000	-
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	8	8	-	-	4	4	3	3
TL Fuller	8	8	8	8	4	4	3	3
SD Jones	8	8	8	8	4	4	3	3
ME Kerber	6	8	-	-	4	4	3	3
PJ Maclagan	8	8	-	-	4	4	3	3
CJ Morris	7	8	-	-	3	4	2	3
AL Owen	8	8	8	8	4	4	3	3
JM Velli	8	8	-	-	4	4	3	3

A – Number of meetings attended

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

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. Remuneration strategy

B. A summary of key remuneration highlights in the current financial year

C. The structure of remuneration at Computershare

D. Details of remuneration and service contracts

E. Proportions of fixed and performance related remuneration

F. Other information

A. REMUNERATION STRATEGY

Computershare's remuneration strategy is designed to:

- Be competitive in the local employment market where an executive is based so as to support the attraction and retention of a talented executive team;
- Motivate executives to deliver excellent performance; and
- Align remuneration outcomes for executives with the interests of shareholders.

Computershare's remuneration strategy and structure is reviewed by the Board and the Remuneration Committee on an ongoing basis for its appropriateness and effectiveness.

B. A SUMMARY OF KEY REMUNERATION HIGHLIGHTS IN THE CURRENT FINANCIAL YEAR

In the financial year 2016, there were no material changes to the structure of the Group's remuneration arrangements. Set out below are some of the key remuneration outcomes and highlights which occurred during the year.

- There was a modest salary increase for Computershare staff globally. There were no general salary increases for the Group's executive key management personnel.
- Short-term incentive (STI) outcomes for senior executives were impacted negatively by the decline in management adjusted earnings per share in the financial year 2016 as compared to 2015.
- There will be a vesting of awards under Computershare's legacy long-term incentive plan for awards granted in the financial year 2012. The 50% of the awards that were subject to a performance target of at least 7.5% annual compound growth in management earnings per share over a five-year period will lapse as the target was not met. However, the 50% of the awards that were subject to a retention condition will vest for those executives who satisfy the five-year retention period.
- The Chairman's fee and the fee payable to the Chair of the Risk and Audit Committee were increased in November 2015 following a market review. All other non-executive directors' fees remained unchanged in the current financial year.
- Computershare staff globally continued to participate in the various employee share plans made available in their regions. The Computershare One Plan for staff based in Europe was also launched in the financial year 2016. This plan won an award at the Global Equity Organisation Awards for Best Plan Effectiveness following a 42% growth in membership.

C. 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.

SD Jones receives a fixed fee of AUD 325,000 as Chairman. All other non-executive directors receive a base fee of AUD 150,000. TL Fuller receives an additional AUD 75,000 as the Chair of the Risk and Audit Committee and other non-Chair members of the Risk and Audit Committee (AL Owen and SD Jones) receive an additional AUD 25,000 per annum as members on that committee. JM Velli, as Chairman of the Remuneration Committee receives an additional AUD 25,000 for performing those duties. These fees are inclusive of statutory superannuation where applicable.

The fees payable to the Chairman and the Chair of the Risk and Audit Committee were increased effective November 2015 following a market review. All other non-executive director fees remained unchanged during the reporting period.

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 a 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 a 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)	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. 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. 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.	Calculated and paid annually after the release of the annual results. The CSTI strongly aligns the executive's CSTI with the performance of the business unit(s) or region(s) they manage.
DSTI (short-term incentive satisfied by the grant of equity on a deferred basis	15% (equal to 21.4% of base salary)	Nil	30% of the on target package guide (equal to 43% of base salary)	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 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. The remaining 50% of DSTI is calculated based on strategic, cultural and organisational measures. These measures are regularly reviewed and typically cover non-financial performance, leadership, replaceability and character.	Calculated annually after the release of the annual results. Grants are not generally made until after the release of the annual report. The DSTI aligns an executive's remuneration with the overall Group's 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. Deferred vesting: 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. DSTI grants are designed as an incentive to encourage long-term, sustainable performance.

The management adjustment items applied to determine management EBITDA (for CSTI) and management EPS (for DSTI) are set out in note 3 of the financial statements. The Board retains the discretion to review management adjustment items before the calculation of STI awards to executives. No DSTI was awarded to executives for the financial year 2016 for the 50% of the DSTI that is calculated by reference to growth in management EPS as management EPS was 7.9% lower in the financial year 2016 than in the financial year 2015.

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 2016 financial year

The table below shows the STI paid or payable to each Computershare executive who is identified as a key management personnel for entitlements referable to performance in the financial year ended 30 June 2016. The table sets out the actual amounts awarded as STI and how they relate to the maximum entitlement for each executive.

Executive	STI awarded (USD)	STI as percentage of maximum
SJ Irving	296,109	59.7%
SA Cameron	108,490	47.4%
PA Conn	188,305	46.8%
MB Davis	230,576	52.5%
SHE Herfurth	113,394	46.2%
ML McDougall	138,103	48.2%
SR Rothbloom	409,029	45.8%
N Sarkar	190,534	45.5%
SS Swartz	94,762	40.4%
JLW Wong	227,275	47.7%

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 shares. 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.

Details of the long-term incentive plan, which is known as Computershare's LTI plan, are set out below.

Key features 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. A resolution to approve the proposed grant of performance rights under the LTI plan to the Group CEO is put to shareholders each year 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 2015, 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, the current mix between fixed, short-term variable and long-term variable remuneration for the Group CEO in FY2016 was (based on 'on target' STI performance):

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

The Board continues to review the mix to ensure shareholder and management objectives are best aligned.

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 2015 in respect of the financial year 2016, the face value of Computershare's share price for the purpose of calculating LTI award entitlements was AUD 9.96.

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 reviews 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 75th percentile	100%
Between the 50th to 75th percentile	Progressive pro rata vesting between 50% to 100% (i.e. on a straight line basis)
Equal to the 50th percentile	50%
Below the 50th 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 with. The Board believes that having a performance measure that compares Computershare's TSR performance with the TSR of companies in a broad index (the ASX 100) will further align the remuneration outcomes for its senior executives with the investment performance of its shareholders.

As at the date of this report, there are 1.3 million performance rights outstanding under the LTI plan. These include 716,916 performance rights that were granted to 12 executives in the financial year 2016 and which are due to vest in September 2018 (subject to performance against hurdles).

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 or 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.

Overview of the legacy DLI plan

The Computershare LTI plan was introduced in 2014 following a review of the then current long-term incentive plan which was known as the Deferred Long-Term Incentive Plan or (DLI plan). The DLI plan is now a legacy plan with final awards under that plan scheduled to vest or lapse in September 2017. Accordingly, details of the terms of the 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.

The DLI plan comprised awards of performance rights where 50% of awards were subject to a performance hurdle based on Computershare meeting management EPS growth targets, while the remaining 50% were subject to a retention condition which is satisfied if the relevant executive remains with Computershare for five years. Awards under the DLI plan were intended to remunerate 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 1.9 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 900,000 performance rights which were granted in the financial year 2012, of which it is expected that 450,000 will vest on the date of this report. This is on the basis that the 50% of awards subject to a retention period will vest in full for executives who remain employed on the vesting date and all of the 50% of awards subject to the management EPS hurdle will lapse.

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 41 of the financial statements.

Computershare 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. On occasions, the Group 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

One of the key principles of Computershare's remuneration strategy is to ensure that there is a link between the remuneration outcomes for executives and company performance and its consequent impact on shareholder interests. The Board believes that the use of a management EPS growth hurdle and a relative TSR hurdle under the group's executive LTI plan supports that alignment. Similarly the Board believes that short-term incentive outcomes for executives should reflect a combination of personal objectives as well as targets that are based on financial performance. The following table highlights some of the key financial results for Computershare over the period from the financial year 2012 to the financial year 2016 with the corresponding average STI outcomes for executive key management personnel over the same period.

	2012	2013	2014	2015	2016
Management EBITDA (USD million)	459.0	509.8	540.6	554.1	532.6
Statutory EPS (US cents)	31.10	28.25	45.20	27.61	28.55
Management EPS (US cents)	49.09	54.85	60.24	59.82	55.09
Total Dividend (AU cents per share)	28	28	29	31	33
Share price as at 30 June (AUD)	7.41	10.27	12.48	11.71	9.17
Average STI received as % of maximum opportunity for executive KMP (%)	43.2	66.5	65.3	48.7	48.0

D. DETAILS OF REMUNERATION AND SERVICE CONTRACTS

Directors

The directors of Computershare Limited who held the position during the current financial year are listed below.

Non-executive	Executive	
CJ Morris	SJ Irving	President and Chief Executive Officer
TL Fuller		
SD Jones		
ME Kerber		
PJ Maclagan		
AL Owen		
JM Velli		

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 2016.

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	Chief Information Officer	Computershare Technology Services Pty Ltd
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	President – Canada	Computershare Trust Company of Canada
JLW Wong	President – Asia	Computershare Hong Kong Investor Services Limited

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 Group CEO, 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 nor 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 DLI 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 2016 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 2016 USD/AUD average rate was 0.72732, the 2015 USD/AUD average rate was 0.83887).

Statutory remuneration details

	Financial year	Short-term: Salaries and fees $	Short-term: Cash profit share and bonuses $	Long-term: Other[1] $	Post employment benefits: Superannuation/ pension $	Share based payments expense: Shares $	Share based payments expense: Performance rights/ options[2] $	Share based payments expense: Phantom plan[3] $	Termination $	Other[4] $	Total $
Directors											
SJ Irving	2016	661,866	296,109	11,046	14,043	11,496	144,500	-	-	-	1,139,060
	2015	763,372	335,708	39,794	15,757	85,834	184,067	-	-	62,474	1,487,006
TL Fuller[5]	2016	137,556	-	-	12,983	-	-	-	-	-	150,539
	2015	99,863	-	-	9,487	-	-	-	-	-	109,350
SD Jones	2016	214,394	-	-	13,948	-	-	-	-	-	228,342
	2015	190,824	-	-	15,757	-	-	-	-	-	206,581
ME Kerber	2016	115,159	-	-	-	-	-	-	-	-	115,159
	2015	121,371	-	-	-	-	-	-	-	-	121,371
PJ Maclagan	2016	109,099	-	-	-	-	-	-	-	-	109,099
	2015	122,485	-	-	-	-	-	-	-	-	122,485
CJ Morris	2016	141,311	-	-	-	-	-	-	-	-	141,311
	2015	225,141	-	-	-	-	-	-	-	-	225,141
AL Owen	2016	138,966	-	-	-	-	-	-	-	-	138,966
	2015	157,041	-	-	-	-	-	-	-	-	157,041
JM Velli[5]	2016	139,171	-	-	-	-	-	-	-	-	139,171
	2015	100,689	-	-	-	-	-	-	-	-	100,689
Key management personnel											
SA Cameron[7]	2016	305,481	72,487	(777)	14,043	55,325	632	-	-	1,806	448,997
	2015	352,325	63,010	5,872	15,757	75,381	(5,826)	-	-	2,086	508,605
PA Conn	2016	536,550	119,320	-	-	82,369	(39,118)	-	-	-	699,121
	2015	532,292	120,984	-	-	110,413	210,705	-	-	-	974,394
MB Davis[7]	2016	585,501	149,025	9,773	14,043	107,594	123,549	-	-	2,166	991,651
	2015	675,290	170,356	44,693	15,757	124,781	158,759	-	-	2,508	1,192,144
SHE Herfurth[7]	2016	327,020	71,349	-	-	-	40,657	26,890	-	2,847	468,763
	2015	354,641	103,093	-	-	3,349	(25,673)	77,255	-	3,346	516,011
ML McDougall[7]	2016	381,854	84,917	6,364	14,043	71,674	53,724	-	-	2,166	614,742
	2015	440,407	99,305	10,954	15,757	90,506	37,958	-	-	2,508	697,395
SR Rothbloom	2016	1,190,039	268,779	-	29,950	168,190	(13,530)	-	-	-	1,643,428
	2015	1,184,167	209,568	-	29,950	235,428	270,411	-	-	-	1,929,524
N Sarkar[7]	2016	558,318	106,786	-	45,596	89,251	41,393	-	-	2,680	844,024
	2015	553,456	139,947	-	55,346	105,920	109,738	-	-	2,543	966,950
SS Swartz[6,7]	2016	312,450	51,242	-	13,665	42,855	58,969	-	-	2,918	482,099
	2015	264,721	84,084	-	17,255	47,475	45,651	-	-	880	460,066
JLW Wong[7]	2016	634,709	152,469	-	113,719	87,958	(10,917)	-	-	2,350	980,288
	2015	630,078	187,135	-	94,512	120,632	96,608	-	-	4,645	1,133,610
Retired directors and key management personnel											
	2015	350,452	75,386	-	23,507	70,504	90,535	-	428,614	344	1,039,342

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 probable 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 regarding the EPS performance condition or the service condition is not met, a credit to remuneration will be included consistent with the accounting treatment. As part of the 2017 financial year budget process, it was no longer considered probable that the performance condition applicable to 50% of the performance rights granted on 25 September 2012 and 100% of the performance rights granted on 1 December 2014 would be met. On this basis, the accounting expense (excluding the TSR component) related to prior years has been reversed. Similarly, for the financial year 2015 the expense related to the 50% of the performance rights granted on 12 October 2011 and 4 May 2012 was reversed.

3 The Phantom Share Awards Plan (Phantom Plan) functions 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 employee share plan as detailed in note 41 of the financial statements.

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

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

7 Key management personnel outside of the United States are paid in their local currency. Foreign exchange rate movements can impact on comparison between the years in US dollar terms.

Actual remuneration received

The table below represents the 'actual' remuneration outcomes for executive key management personnel in the financial year 2016. Amounts paid in currencies other than USD are translated at average exchange rates applicable to each financial year.

Statutory remuneration disclosures prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards differ from the numbers presented below, as they include (among other benefits) expensing for equity grants that are yet to vest and may never vest. The statutory remuneration table in respect of the executive key management personnel is presented in a separate disclosure.

	Financial year	Fixed pay[1] $	Cash STI for performance $	Other benefits and cash payments[2] $	Deferred STI vested[3] $	Performance rights vested[4] $	Total actual remuneration $
SJ Irving[6]	**2016**	**675,909**	**291,069**	**-**	**127,999**	**-**	**1,094,977**
	2015	779,129	276,080	-	147,250	1,760,159	2,962,618
SA Cameron[6]	**2016**	**319,524**	**54,631**	**3,877**	**66,242**	**-**	**444,274**
	2015	368,082	76,661	5,941	67,322	-	518,006
PA Conn	**2016**	**536,550**	**120,984**	**-**	**101,756**	**-**	**759,290**
	2015	532,292	126,746	-	104,547	1,257,256	2,020,841
MB Davis[6]	**2016**	**599,544**	**147,704**	**-**	**101,347**	**-**	**848,595**
	2015	691,047	139,578	-	107,327	1,760,159	2,698,111
SHE Herfurth[6]	**2016**	**327,020**	**94,602**	**2,847**	**66,368**	**-**	**490,837**
	2015	354,641	79,161	3,346	54,705	-	491,853
ML McDougall[6]	**2016**	**395,897**	**86,100**	**-**	**77,157**	**-**	**559,154**
	2015	456,164	92,933	-	81,077	-	630,174
SR Rothbloom	**2016**	**1,219,989**	**209,568**	**-**	**199,001**	**-**	**1,628,558**
	2015	1,214,117	276,953	-	228,712	1,511,224	3,231,006
N Sarkar[6]	**2016**	**603,914**	**131,764**	**3,086**	**91,882**	**-**	**830,646**
	2015	608,802	130,674	4,350	85,406	1,005,805	1,835,037
SS Swartz[5,6]	**2016**	**326,115**	**74,207**	**-**	**-**	**-**	**400,322**
	2015	281,976	-	-	-	-	281,976
JLW Wong[6]	**2016**	**748,428**	**187,015**	**25,320**	**106,521**	**-**	**1,067,284**
	2015	724,590	151,341	34,242	115,461	1,005,805	2,031,439

1 Represents base salary plus superannuation/pension.

2 Includes shares held in the Deferred Employee Share Plan (note 41) that vested in the relevant financial year and the phantom shares vesting.

3 Deferred STI that vested in the relevant financial year. The five day weighted average share price used to value the deferred STI at vesting date is AUD 9.87 for awards vested on 1 September 2015 (1 September 2014: AUD 12.23).

4 Performance rights that vested in the relevant financial year. These were rights granted under the legacy DLI plan, which were generally granted on a non-annual basis and with a five-year performance and retention period. The five-day weighted average share price used to value the performance rights at vesting date is AUD 11.99 for awards vested on 22 September 2014.

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

6 Key management personnel outside of the United States are paid in their local currency. Foreign exchange rate movements can impact on comparison between the years in US dollar terms.

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, and CJ Morris are paid in Australian dollars. Although the non-executive director fees for ME Kerber, AL Owen and JM Velli are set in Australian dollars, they can elect to be paid in Euros, British pounds and United States dollars respectively based on an exchange rate set at the start of each financial year.

Group CEO and other executive key management personnel

There were no general increases to base salary and STI award packages for the executive key management personnel in the financial year 2016. N Sarkar received an increase of GBP 25,000 to reflect additional responsibilities. All executive key management personnel receive their salary and other cash payments in their local currency.

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	1/10/2013	17,837	(17,837)	-	Vested	-	-
SA Cameron	1/10/2013	9,231	(9,231)	-	Vested	-	-
	1/10/2014	7,981	-	7,981	FY 2017	-	6,303
	1/10/2015	4,241	-	4,241	FY 2018	32,681	19,925
PA Conn	1/10/2013	14,180	(14,180)	-	Vested	-	-
	1/10/2014	10,879	-	10,879	FY 2017	-	8,592
	1/10/2015	7,751	-	7,751	FY 2018	59,729	36,416
MB Davis	1/10/2013	14,123	(14,123)	-	Vested	-	-
	1/10/2014	14,538	-	14,538	FY 2017	-	11,482
	1/10/2015	10,568	-	10,568	FY 2018	81,437	49,651
SHE Herfurth	1/10/2013*	9,285	(9,285)	-	Vested	-	-
	1/10/2014*	8,468	-	8,468	FY 2017	-	5,003
	1/10/2015*	4,719	-	4,719	FY 2018	36,365	19,517
ML McDougall	1/10/2013	10,752	(10,752)	-	Vested	-	-
	1/10/2014	9,940	-	9,940	FY 2017	-	7,851
	1/10/2015	6,362	-	6,362	FY 2018	49,026	29,890
SR Rothbloom	1/10/2013	28,353	(28,353)	-	Vested	-	-
	1/10/2014	25,161	-	25,161	FY 2017	-	19,872
	1/10/2015	11,460	-	11,460	FY 2018	88,311	53,842
N Sarkar	1/10/2013	12,804	(12,804)	-	Vested	-	-
	1/10/2014	11,539	-	11,539	FY 2017	-	9,114
	1/10/2015	9,327	-	9,327	FY 2018	71,874	43,821
SS Swartz	1/10/2013	5,636	(5,636)	-	Vested	-	-
	1/10/2014	5,196	-	5,196	FY 2017	-	4,104
	1/10/2015	5,114	-	5,114	FY 2018	39,409	24,027
JLW Wong	1/10/2013	14,844	(14,844)	-	Vested	-	-
	1/10/2014	12,574	-	12,574	FY 2017	-	9,931
	1/10/2015	6,881	-	6,881	FY 2018	53,025	32,329

* Awards made under the Phantom 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 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	12/10/2011	150,000	-	150,000	FY 2017	-	-
	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	107,084	-	107,084	FY 2018	-	56,986
	1/12/2015	130,522	-	130,522	FY 2019	773,221	515,480
SA Cameron	04/05/2012	200,000	-	200,000	FY 2017	-	-
	25/09/2012	150,000	-	150,000	FY 2018	-	78,497
	1/12/2014	29,654	-	29,654	FY 2018	-	15,781
	1/12/2015	36,144	-	36,144	FY 2019	214,119	142,746
PA Conn	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	43,937	-	43,937	FY 2018	-	23,381
	1/12/2015	49,024	-	49,024	FY 2019	290,421	193,614
MB Davis	12/10/2011	150,000	-	150,000	FY 2017	-	-
	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	94,728	-	94,728	FY 2018	-	50,410
	1/12/2015	115,461	-	115,461	FY 2019	683,999	455,995
SHE Herfurth	12/10/2011	200,000	-	200,000	FY 2017	-	-
	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	30,069	-	30,069	FY 2018	-	16,001
	1/12/2015	38,768	-	38,768	FY 2019	229,664	153,109
ML McDougall	1/12/2014	18,533	-	18,533	FY 2018	-	9,862
	1/12/2015	33,885	-	33,885	FY 2019	200,737	133,821
SR Rothbloom	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	73,086	-	73,086	FY 2018	-	38,894
	1/12/2015	72,487	-	72,487	FY 2019	429,418	286,274
N Sarkar	12/10/2011	100,000	-	100,000	FY 2017	-	-
	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	45,411	-	45,411	FY 2018	-	24,165
	1/12/2015	67,498	-	67,498	FY 2019	399,863	266,575
SS Swartz	1/12/2014	22,288	-	22,288	FY 2018	-	11,860
	1/12/2015	37,895	-	37,895	FY 2019	224,493	149,657
JLW Wong	12/10/2011	100,000	-	100,000	FY 2017	-	-
	25/09/2012	100,000	-	100,000	FY 2018	-	52,331
	1/12/2014	39,000	-	39,000	FY 2018	-	20,754
	1/12/2015	38,698	-	38,698	FY 2019	229,250	152,833

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
							$
Directors							
SJ Irving	-	17,837	-	-	-	17,837	-
TL Fuller	2,000	-	-	-	-	2,000	-
SD Jones	14,000	-	-	3,000	-	17,000	-
M Kerber	40,000	-	-	-	-	40,000	-
PJ Maclagan	12,777,025	-	-	(160,000)	-	12,617,025	-
CJ Morris	37,564,000	-	-	(133,000)	-	37,431,000	-
AL Owen	12,910	-	-	-	-	12,910	-
JM Velli	10,000	-	-	-	-	10,000	-
Key management personnel							
SA Cameron	78	9,231	-	(9,682)	451	78	-
PA Conn	588,508	14,180	-	(98,936)	-	503,752	-
MB Davis	7,218	14,123	-	(6,921)	-	14,420	-
SHE Herfurth	13,134	-	-	(11,965)	693	1,862	-
ML McDougall	53,238	10,752	-	-	-	63,990	-
SR Rothbloom	66,357	28,353	-	(11,231)	-	83,479	-
N Sarkar	11,942	12,804	-	(17,168)	204	7,782	-
SS Swartz	16,266	5,636	-	(21,902)	-	-	-
JLW Wong	158,924	14,844	-	(14,000)	3,269	163,037	-

E. 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	48.07%	20.72%	0.80%	30.41%
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%
SA Cameron	44.43%	10.05%	7.67%	37.85%
PA Conn	58.92%	13.10%	9.04%	18.94%
MB Davis	48.28%	11.77%	8.50%	31.45%
SHE Herfurth	50.27%	10.76%	3.53%	35.44%
ML McDougall	63.41%	13.31%	11.24%	12.04%
SR Rothbloom	64.51%	14.21%	8.89%	12.39%
N Sarkar	57.36%	10.10%	8.44%	24.10%
SS Swartz	64.54%	10.05%	8.41%	17.00%
JLW Wong	63.31%	12.86%	7.42%	16.41%

* Excludes the DLI performance rights reversal in the year ended 30 June 2016.

F. 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 2016 was $2,136,399. Computershare also provides services to Lumi Technologies Limited, which comprise rental of premises and voucher services, on ordinary commercial terms and conditions. Total value of services provided in the year ended 30 June 2016 was $827,036.

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 2016 amounted to $31,898.

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 2016 amounted to $66,000.

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 performance rights at the date of this report are as follows:

Date granted	Financial year of expiry	Number under performance rights
Performance rights		
12/10/2011	2017	700,000
4/05/2012	2017	200,000
25/09/2012	2018	950,000
1/12/2014	2018	579,238
1/12/2015	2019	716,916

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 cannot 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.

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

	2016 $000	2015 $000
1. Audit services		
Audit and review of the financial statements and other audit work by PricewaterhouseCoopers Australia	**704**	843
Audit and review of the financial statements and other audit work by network firms of PricewaterhouseCoopers Australia	**2,691**	3,084
	3,395	3,927
2. Other services		
Other assurance services performed by PricewaterhouseCoopers Australia	**317**	372
Other assurance services performed by network firms of PricewaterhouseCoopers Australia	**2,139**	2,203
Tax advice on acquisitions provided by network firms of PricewaterhouseCoopers Australia	**10**	38
	2,466	2,613
Total Auditor's Remuneration	**5,861**	6,540

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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.

SD Jones
Chairman

SJ Irving
Chief Executive Officer

19 September 2016

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Auditor's Independence Declaration

As lead auditor for the audit of Computershare Limited for the year ended 30 June 2016, 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.

Anton Linschoten
Partner
PricewaterhouseCoopers

Melbourne
19 September 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

	Note	**2016 $000**	2015 $000
Revenue from continuing operations			
Sales revenue	1	**1,957,860**	1,966,193
Other revenue	1	**3,265**	5,059
Total revenue from continuing operations		**1,961,125**	1,971,252
Other income	2	**27,740**	12,777
Expenses			
Direct services		**1,405,410**	1,410,524
Technology costs		**260,570**	260,915
Corporate services		**22,047**	15,146
Finance costs		**54,480**	51,957
Total expenses		**1,742,507**	1,738,542
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	31 & 32	**(1,349)**	(2,316)
Profit before related income tax expense		**245,009**	243,171
Income tax expense/(credit)	5	**83,211**	85,893
Profit for the year		**161,798**	157,278
Other comprehensive income that may be reclassified to profit or loss			
Available-for-sale financial assets		**(62)**	9
Cash flow hedges		**(497)**	(53)
Exchange differences on translation of foreign operations		**(17,005)**	(106,480)
Income tax relating to components of other comprehensive income	5	**(6,841)**	14,963
Total other comprehensive income for the year, net of tax		**(24,405)**	(91,561)
Total comprehensive income for the year		**137,393**	65,717
Profit for the year is attributable to:			
Members of Computershare Limited		**157,334**	153,576
Non-controlling interests		**4,464**	3,702
		161,798	157,278
Total comprehensive income for the year is attributable to:			
Members of Computershare Limited		**133,912**	63,239
Non-controlling interests		**3,481**	2,478
		137,393	65,717
Basic earnings per share (cents per share)	3	**28.55 cents**	27.61 cents
Diluted earnings per share (cents per share)	3	**28.51 cents**	27.56 cents

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

	Note	2016 $000	2015 $000
CURRENT ASSETS			
Cash and cash equivalents	6	**526,575**	555,278
Bank deposits		**20,174**	-
Receivables	14	**425,343**	361,185
Loan servicing advances	15	**255,139**	187,002
Available-for-sale financial assets	19	**591**	620
Other financial assets	16	**18,655**	22,655
Inventories	17	**4,512**	4,853
Current tax assets	5	**6,423**	10,574
Derivative financial instruments	12	**1,952**	750
Other current assets	18	**29,694**	33,362
Assets classified as held for sale	8	**26,128**	51,558
Total current assets		**1,315,186**	1,227,837
NON-CURRENT ASSETS			
Bank deposits		-	19,664
Receivables	14	**876**	972
Investments accounted for using the equity method	30	**27,357**	31,596
Available-for-sale financial assets	19	**17,487**	7,394
Property, plant and equipment	20	**116,535**	161,107
Deferred tax assets	5	**178,644**	189,348
Derivative financial instruments	12	**48,035**	31,239
Intangibles	9	**2,273,628**	2,132,298
Total non-current assets		**2,662,562**	2,573,618
Total assets		**3,977,748**	3,801,455
CURRENT LIABILITIES			
Payables	21	**382,921**	392,448
Interest bearing liabilities	13	**260,088**	172,805
Current tax liabilities	5	**29,131**	29,435
Provisions	22	**40,688**	44,231
Derivative financial instruments	12	**1,238**	20,838
Deferred consideration	23	**12,402**	6,585
Liabilities directly associated with assets classified as held for sale	8	-	12,816
Other liabilities	24	**69,869**	44,537
Total current liabilities		**796,337**	723,695
NON-CURRENT LIABILITIES			
Payables	21	**9,740**	1,374
Interest bearing liabilities	13	**1,603,217**	1,596,299
Deferred tax liabilities	5	**232,100**	214,512
Provisions	22	**29,129**	31,548
Deferred consideration	23	**65,969**	4,869
Derivative financial instruments	12	**5,500**	9,732
Other liabilities	24	**127,023**	41,785
Total non-current liabilities		**2,072,678**	1,900,119
Total liabilities		**2,869,015**	2,623,814
Net assets		**1,108,733**	1,177,641
EQUITY			
Contributed equity	26	-	35,703
Reserves	27	**(81,472)**	(19,362)
Retained earnings	28	**1,176,690**	1,147,906
Total parent entity interest	25	**1,095,218**	1,164,247
Non-controlling interests	25	**13,515**	13,394
Total equity		**1,108,733**	1,177,641

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

	Note	Attributable to members of Computershare Limited					
		Contributed Equity $000	Reserves $000	Retained Earnings $000	Total $000	Non-controlling Interests $000	Total Equity $000
Total equity at 1 July 2015		**35,703**	**(19,362)**	**1,147,906**	**1,164,247**	**13,394**	**1,177,641**
Profit for the year		-	-	157,334	157,334	4,464	161,798
Available-for-sale financial assets		-	(62)	-	(62)	-	(62)
Cash flow hedges		-	(497)	-	(497)	-	(497)
Exchange differences on translation of foreign operations		-	(16,022)	-	(16,022)	(983)	(17,005)
Income tax (expense)/credits		-	(6,841)	-	(6,841)	-	(6,841)
Total comprehensive income for the year		**-**	**(23,422)**	**157,334**	**133,912**	**3,481**	**137,393**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid		-	-	(128,550)	(128,550)	(2,799)	(131,349)
Share buy-back	26	(35,703)	(37,469)	-	(73,172)	-	(73,172)
Transactions with non-controlling interests		-	-	-	-	(561)	(561)
Cash purchase of shares on market		-	(12,177)	-	(12,177)	-	(12,177)
Share based remuneration		-	10,958	-	10,958	-	10,958
Balance at 30 June 2016		**-**	**(81,472)**	**1,176,690**	**1,095,218**	**13,515**	**1,108,733**
Total equity at 1 July 2014		**35,703**	**84,240**	**1,134,305**	**1,254,248**	**12,964**	**1,267,212**
Profit for the year		-	-	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
Total comprehensive income for the year		**-**	**(90,337)**	**153,576**	**63,239**	**2,478**	**65,717**
Transactions with owners in their capacity as owners:							
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
Balance at 30 June 2015		**35,703**	**(19,362)**	**1,147,906**	**1,164,247**	**13,394**	**1,177,641**

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

	Note	2016 $000	2015 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**2,001,817**	2,064,771
Payments to suppliers and employees		**(1,521,470)**	(1,540,924)
Loan servicing advances (net)		**(68,137)**	(44,522)
Dividends received from equity securities		**701**	917
Interest paid and other finance costs		**(53,786)**	(52,723)
Interest received		**2,564**	4,142
Income taxes paid		**(57,042)**	(59,529)
Net operating cash flows	6	**304,647**	372,132
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of controlled entities and businesses (net of cash acquired) and intangible assets		**(167,848)**	(186,021)
Proceeds from sale of a joint venture		**1,532**	-
Dividends received from associates and joint ventures		**445**	339
Proceeds from/(payments for) investments		**(19,984)**	(15,495)
Payments for property, plant and equipment		**(25,317)**	(28,384)
Proceeds from sale of subsidiaries and businesses, net of cash disposed		**(6,511)**	23,849
Net investing cash flows		**(217,683)**	(205,712)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for purchase of ordinary shares – share based awards		**(12,177)**	(27,971)
Proceeds from borrowings		**494,918**	1,242,784
Repayment of borrowings		**(439,840)**	(1,161,005)
Loan servicing borrowings (net)		**41,381**	76,283
Dividends paid – ordinary shares (net of dividend reinvestment plan)		**(123,057)**	(133,601)
Purchase of ordinary shares – dividend reinvestment plan		**(5,493)**	(6,374)
Dividends paid to non-controlling interests in controlled entities		**(2,799)**	(2,048)
Payments for on-market share buy-back		**(71,830)**	-
Repayment of finance leases		**(6,684)**	(7,759)
Net financing cash flows		**(125,581)**	(19,691)
Net increase/(decrease) in cash and cash equivalents held		**(38,617)**	146,729
Cash and cash equivalents at the beginning of the financial year		**604,092**	509,151
Exchange rate variations on foreign cash balances		**(38,900)**	(51,788)
Cash and cash equivalents at the end of the year*		**526,575**	604,092

* Cash and cash equivalents at 30 June 2016 include nil cash presented in the assets classified as held for sale line item (2015: $48.8 million) 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.

1. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

	2016 $000	2015 $000
a) Revenues		
Sales revenue		
Rendering of services	**1,957,860**	1,966,193
Other revenue		
Dividends received	**701**	917
Interest received	**2,564**	4,142
Total other revenue	**3,265**	5,059
Total revenue from continuing operations	**1,961,125**	1,971,252
b) Expenses		
Depreciation and amortisation		
Depreciation of property, plant and equipment	**38,715**	41,068
Amortisation of intangible assets (note 9)	**120,683**	103,731
Amortisation of mortgage servicing related liabilities	**(12,382)**	(7,883)
Total amortisation (net)	**108,301**	95,848
Total depreciation and amortisation	**147,016**	136,916
Finance costs		
Interest expense	**51,886**	49,217
Loan facility fees and other borrowing expenses	**2,594**	2,740
Total finance costs	**54,480**	51,957
Other operating expense items		
Operating lease rentals	**58,463**	59,705
Technology spending – research and development	**76,882**	80,433
Employee entitlements (excluding superannuation and other pension) expense	**770,140**	778,198
Superannuation and other pension expense	**37,437**	38,726
Other significant expense items		
Acquisition related accounting adjustments	**45,642**	-
Foreign currency translation reserve write-off on disposals	**25,904**	-
Put option liability re-measurement	**7,526**	7,749
Asset write-down	**1,687**	5,241
Voucher Services impairment	**-**	109,536

2. OTHER INCOME

	2016 $000	2015 $000
Gain on acquisition	**11,113**	670
Rent received	**3,734**	1,799
Marked to market adjustments - derivatives	**3,244**	-
Gain on disposal	**325**	7,288
Other	**9,324**	3,020
Total other income	**27,740**	12,777

3. EARNINGS PER SHARE

Year ended 30 June 2016	**Basic EPS**	**Diluted EPS**	**Management Basic EPS**	**Management Diluted EPS**
Earnings per share (cents per share)	**28.55 cents**	**28.51 cents**	**55.09 cents**	**55.00 cents**

Reconciliation of earnings	**$000**	**$000**	**$000**	**$000**
Profit for the year	**161,798**	**161,798**	**161,798**	**161,798**
Non-controlling interest (profit)/loss	**(4,464)**	**(4,464)**	**(4,464)**	**(4,464)**
Add back management adjustment items (see below)	**-**	**-**	**146,206**	**146,206**
Net profit attributable to the members of Computershare Limited	**157,334**	**157,334**	**303,540**	**303,540**
Weighted average number of ordinary shares used as denominator in calculating earnings per share	**550,992,891**	**551,917,891**	**550,992,891**	**551,917,891**

Year ended 30 June 2015				
Earnings per share (cents per share)	27.61 cents	27.56 cents	59.82 cents	59.72 cents

Reconciliation of earnings	$000	$000	$000	$000
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
Net profit attributable to the members of Computershare Limited	153,576	153,576	332,734	332,734
Weighted average number of ordinary shares used as denominator in calculating earnings per share	556,203,079	557,178,079	556,203,079	557,178,079

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

	2016 Number	2015 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**550,992,891**	556,203,079
Adjustments for calculation of diluted earnings per share:		
Performance rights	**925,000**	975,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**551,917,891**	557,178,079

No performance rights have been issued since the end of the reporting period.

For the year ended 30 June 2016 management adjustment items were as follows:

	Gross $000	**Tax effect $000**	**Net of tax $000**
Amortisation			
Intangible assets amortisation	**(96,134)**	**32,091**	**(64,043)**
Acquisitions and disposals			
Acquisition related accounting adjustments	**(45,642)**	**(699)**	**(46,341)**
Foreign currency translation reserve write-off on disposals	**(25,904)**	**-**	**(25,904)**
Gain on acquisition	**11,113**	**(2,222)**	**8,891**
Acquisition and disposal related expenses	**(3,480)**	**1,072**	**(2,408)**
Acquisition related restructuring costs	**(2,002)**	**698**	**(1,304)**
Asset write-down	**(1,687)**	**-**	**(1,687)**
Gain on disposal	**325**	**-**	**325**
Other			
Major restructuring costs	**(14,545)**	**6,080**	**(8,465)**
Put option liability re-measurement	**(7,526)**	**-**	**(7,526)**
Marked to market adjustments - derivatives	**3,244**	**(988)**	**2,256**
Total management adjustment items	**(182,238)**	**36,032**	**(146,206)**

Management Adjustment Items

Management adjustment items net of tax for the year ended 30 June 2016 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 the year ended 30 June 2016 was $64.0 million. Amortisation of intangibles purchased outside of business combinations (eg, mortgage servicing rights) is included as a charge against management earnings.

Acquisitions and disposals

- A liability of $47.3 million was recognised for contingent consideration payable to the sellers of Homeloan Management Limited. An acquisition accounting adjustment related to the Registrar and Transfer Company resulted in a benefit of $1.0 million.
- The finalisation of disposal accounting for the Russian registry business, VEM (a corporate actions bank located in Germany) and the Australian ConnectNow business resulted in a loss of $25.9 million due to a write-off of the associated cumulative translation differences from the foreign currency translation reserve. 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. The Russian registry business and VEM were classified as held for sale as at 30 June 2015.
- A gain of $8.9 million was recorded on acquisition of assets under the mortgage servicing contract with UK Asset Resolution Limited.
- Acquisition and disposal related expenses of $2.4 million were incurred associated with recent acquisitions and disposals including Gilardi & Co, Capital Markets Cooperative, Homeloan Management Limited, Altavera, SyncBASE and ConnectNow.
- Restructuring costs of $1.3 million were incurred for the Gilardi & Co, Valiant Trust Company and SyncBASE acquisitions.
- A property in the UK was written down to fair value less cost of disposal on classification as ‘held for sale’ resulting in a loss of $1.7 million.
- A gain of $0.3 million was recorded on sale of the Japanese joint venture interest.

Other

- Costs of $8.5 million were incurred in relation to the major operations rationalisation underway in Louisville, USA.
- The put option liability re-measurement resulted in an expense of $7.5 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 gain of $2.3 million.

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

	Gross $000	Tax effect $000	Net of tax $000
Amortisation			
Intangible assets amortisation	(90,065)	31,545	(58,520)
Acquisitions and disposals			
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 acquisition	670	-	670
Other			
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)
Total management adjustment items	(212,113)	32,955	(179,158)

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 & 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 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.

Corporate function includes entities whose main purpose is to hold intercompany investments and conduct financing activities. It is not considered an operating segment and includes activities that are not allocated to other operating segments.

OPERATING SEGMENTS

	Asia $000	Australia & New Zealand $000	Canada $000	Continental Europe $000	Technology & Other $000	UCIA $000	United States $000	Total $000
June 2016								
Total segment revenue and other income	**128,029**	**266,897**	**166,080**	**80,986**	**223,491**	**359,390**	**957,850**	**2,182,723**
External revenue and other income	**124,413**	**265,932**	**164,274**	**80,772**	**15,679**	**356,615**	**953,816**	**1,961,501**
Intersegment revenue	**3,616**	**965**	**1,806**	**214**	**207,812**	**2,775**	**4,034**	**221,222**
Management adjusted EBITDA	**45,231**	**45,741**	**67,440**	**13,732**	**25,233**	**100,036**	**226,392**	**523,805**
June 2015								
Total segment revenue and other income	124,596	309,635	186,660	113,299	226,705	358,562	870,521	2,189,978
External revenue and other income	122,350	308,928	184,567	112,979	17,407	354,368	867,473	1,968,072
Intersegment revenue	2,246	707	2,093	320	209,298	4,194	3,048	221,906
Management adjusted EBITDA	42,217	51,652	76,595	22,161	30,646	118,966	213,549	555,786

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:

	2016 $000	2015 $000
Total operating segment revenue and other income	**2,182,723**	2,189,978
Intersegment eliminations	**(221,222)**	(221,906)
Corporate revenue and other income	**(376)**	3,180
Total revenue from continuing operations	**1,961,125**	1,971,252

Management adjusted EBITDA

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.

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

	2016 $000	2015 $000
Management adjusted EBITDA – operating segments	**523,805**	555,786
Management adjusted EBITDA – corporate	**8,804**	(1,694)
Management adjusted EBITDA	**532,609**	554,092
Management adjustment items (before related income tax effect):		
Amortisation of intangible assets	**(96,134)**	(90,065)
Acquisition and disposal accounting adjustments	**(45,642)**	11,383
Foreign currency translation reserve write-off on disposals	**(25,904)**	-
Gain on acquisition	**11,113**	670
Acquisition and disposal related expenses	**(3,480)**	(4,540)
Acquisition related restructuring costs	**(2,002)**	(9,094)
Asset write-down	**(1,687)**	(5,241)
Gain on disposal	**325**	7,288
Voucher Services impairment	**-**	(109,536)
Major restructuring costs	**(14,545)**	(2,050)
Put option liability re-measurement	**(7,526)**	(7,749)
Marked to market adjustments – derivatives	**3,244**	(3,179)
Total management adjustment items (note 3)	**(182,238)**	(212,113)
Finance costs	**(54,480)**	(51,957)
Other amortisation and depreciation	**(50,882)**	(46,851)
Profit before income tax from continuing operations	**245,009**	243,171

External revenue per business line

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

Register Maintenance	**727,796**	798,859
Corporate Actions	**140,510**	144,215
Business Services	**605,722**	519,143
Stakeholder Relationship Management	**70,107**	58,208
Employee Share Plans	**222,186**	247,637
Communication Services	**174,416**	179,780
Technology and Other Revenue	**20,388**	23,410
Total	**1,961,125**	1,971,252

Geographical Information

	Geographical allocation of external revenue		Geographical allocation of non-current assests	
	2016 $000	2015 $000	2016 $000	2015 $000
Australia	**257,308**	298,494	**186,542**	215,562
United Kingdom	**307,165**	298,216	**217,760**	276,010
United States	**961,049**	881,623	**1,701,048**	1,507,817
Canada	**165,243**	185,468	**175,552**	177,592
Other non-significant countries	**270,360**	307,451	**169,122**	178,388
Total	**1,961,125**	1,971,252	**2,450,024**	2,355,369

Revenues are allocated based on the countries in which the entities are located. The parent entity is domiciled in Australia. Revenue from external customers in countries other than Australia amounts to $1,703.8 million (2015: $1,672.8 million).

Non-current assets exclude financial instruments and deferred tax assets and are allocated to countries based on where the assets are located. Non-current assets held in countries other than Australia amount to $2,263.5 million (2015: $2,139.8 million).

5. INCOME TAX EXPENSE AND BALANCES

Income tax expense

a) Income tax expense

	2016 $000	2015 $000
Current tax expense		
Current tax expense	**64,323**	82,992
Under/(over) provided in prior years	**5,142**	3,927
Total current tax expense	**69,465**	86,919
Deferred tax expense/(benefit)		
Decrease/(increase) in deferred tax assets	**(51,961)**	(33,300)
(Decrease)/increase in deferred tax liabilities	**65,707**	32,274
Total deferred tax expense/(credit)	**13,746**	(1,026)
Total income tax expense	**83,211**	85,893

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

Profit before income tax expense	**245,009**	243,171

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%	**73,503**	72,951
Tax effect of permanent differences:		
Contingent consideration re-measurement	**9,463**	-
Prior year tax (over)/under provided	**5,142**	3,927
Research and development allowance	**(1,733)**	(2,327)
Variation in tax rates of foreign controlled entities	**(472)**	(4,277)
Voucher Services goodwill impairment	**-**	32,861
Net other deductible	**(2,692)**	(17,242)
Income tax expense	**83,211**	85,893

c) Amounts recognised directly in equity

Deferred tax – (debited)/credited directly to equity	**(30)**	92

d) Tax benefit/(expense) relating to items of other comprehensive income

Cash flow hedges	**106**	243
Net investment hedges	**(6,947)**	14,720
	(6,841)	14,963

e) Unrecognised tax losses

As at 30 June 2016, companies within the consolidated entity had estimated unrecognised tax losses of $1.1 million (2015: $35.4 million) available to offset against future years' taxable income.

Tax assets

	2016 $000	2015 $000
Current tax assets		
Refunds receivable	**6,423**	10,574
Deferred tax assets		
Attributable to carry forward tax losses	**35,166**	37,772
Attributable to temporary differences	**143,478**	151,576
	178,644	189,348
Movements during the year		
Opening balance at 1 July	**189,348**	167,625
Currency translation difference	**(3,354)**	(11,754)
Credited/(charged) to profit or loss	**51,961**	33,300
Credited/(charged) to equity	**(30)**	92
Credited/(charged) to other comprehensive income	**(6,947)**	14,720
Set-off of deferred tax liabilities	**(52,839)**	(15,238)
Arising from acquisitions/(disposals)	**505**	603
Closing balance at 30 June	**178,644**	189,348

The deferred tax assets balance comprises temporary differences attributable to:

Tax losses	**35,166**	37,772
Employee benefits	**6,576**	7,169
Property, plant and equipment	**9,882**	9,419
Deferred revenue	**3,903**	4,308
Doubtful debts	**2,452**	1,990
Provisions	**20,383**	21,926
Finance leases	**3,255**	2,273
Other creditors and accruals	**6,959**	8,490
Financial instruments and foreign exchange	**55,252**	58,364
Share based remuneration	**3,826**	8,084
Intangible assets	**42,917**	34,704
Other liabilities	**61,456**	19,704
Other	**6,962**	2,651
Total deferred tax assets	**258,989**	216,854
Set-off of deferred tax liabilities pursuant to set-off provisions	**(80,345)**	(27,506)
Net deferred tax assets	**178,644**	189,348

The total deferred tax assets expected to be recovered after more than 12 months amounts to $155.3 million (2015: $102.4 million).

Tax liabilities

	2016 $000	2015 $000
Current tax liabilities		
Provision for income tax	**29,131**	29,435
Deferred tax liabilities		
Provision for deferred income tax on temporary differences	**232,100**	214,512
Movements during the year:		
Opening balance at 1 July	**214,512**	192,215
Currency translation difference	**(1,801)**	(5,396)
Charged/(credited) to profit or loss	**65,707**	32,274
Charged/(credited) to other comprehensive income	**(106)**	(243)
Set-off of deferred tax assets	**(52,839)**	(15,238)
Arising from acquisitions/(disposals)	**6,627**	10,900
Closing balance at 30 June	**232,100**	214,512
The deferred tax liabilities balance comprises temporary differences attributable to:		
Goodwill	**224,449**	198,063
Intangible assets	**69,828**	31,464
Financial instruments and foreign exchange	**14,594**	8,873
Other	**3,574**	3,618
Total deferred tax liabilities	**312,445**	242,018
Set-off of deferred tax assets pursuant to set-off provisions	**(80,345)**	(27,506)
Net deferred tax liabilities	**232,100**	214,512

The amount of deferred tax liabilities expected to be settled after more than 12 months amounts to $304.8 million (2015: $212.3 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 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 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:

	2016 $000	2015 $000
Shown as cash and cash equivalents in the consolidated statement of financial position	526,575	555,278
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
Cash at bank and on hand	526,575	604,092

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

	2016 $000	2015 $000
Net profit after income tax	161,798	157,278
Adjustments for non-cash income and expense items:		
Depreciation and amortisation	147,016	136,916
Contingent consideration re-measurement	45,642	(9,434)
Net (gain)/loss on asset disposals and asset write downs	27,266	(2,291)
Gain on acquisition	(11,113)	(670)
Share of net (profit)/loss of associates and joint ventures accounted for using equity method	1,349	2,316
Employee benefits – share based expense	10,366	16,535
Impairment charge – Voucher Services	-	109,536
Fair value adjustments	3,889	10,911
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(64,164)	(19,162)
(Increase)/decrease in inventories	(1,710)	2,482
(Increase)/decrease in loan servicing advances	(68,137)	(44,522)
(Increase)/decrease in other current assets	5,116	10,207
Increase/(decrease) in payables and provisions	21,160	(24,334)
Increase/(decrease) in tax balances	26,169	26,364
Net cash and cash equivalents from operating activities	304,647	372,132

(c) Non-cash transactions

During the year Computershare recognised the following material non-cash transactions in the statement of comprehensive income:

> An expense of $47.3 million related to contingent consideration payable to the sellers of Homeloan Management Limited

> A loss of $25.9 million on finalisation of disposal accounting for the Russian registry business, VEM (a corporate actions bank located in Germany) and the Australian ConnectNow business due to a write-off of the associated cumulative translation differences from the foreign currency translation reserve

> A gain of $11.1 million recorded on acquisition of assets under the mortgage servicing contract with UK Asset Resolution Limited

There were no other material non-cash transactions during the year.

(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 the Group's results from the acquisition date. Where goodwill or gain on acquisition are marked as provisional, identification and valuation of net assets acquired will be completed within a 12 month measurement period in accordance with the Group's accounting policy.

(a) On 29 April 2016, Computershare acquired Capital Markets Cooperative, LLC (CMC), based in Florida, USA. CMC is a service provider to mortgage originator clients with a substantial mortgage servicing rights co-issue programme. Total consideration was $98.1 million, which included deferred consideration of $10.2 million and contingent consideration of $5.6 million, which is subject to certain performance hurdles being satisfied. Contingent consideration is based on the best estimate at acquisition date and does not contain a cap.

This business combination contributed $5.5 million to the total revenue of the group. Had the acquisition occurred on 1 July 2015, the total revenue contribution to the Group by the acquired entity would have been $25.9 million.

Details of the acquisition are as follows:

	$000
Cash consideration	82,303
Deferred consideration	10,192
Contingent consideration	5,587
Total purchase consideration	98,082
Less fair value of identifiable assets acquired	(53,048)
Provisional goodwill on consolidation	**45,034**

Assets and liabilities arising from this acquisition are as follows:

	Fair value $000
Cash	8,238
Receivables	3,200
Loan servicing advances	503
Current tax assets	1,704
Derivative financial instruments	857
Other current assets	177
Property, plant and equipment	848
Mortgage servicing rights	43,085
Payables	(1,807)
Other current liabilities	(579)
Deferred tax liability	(3,178)
Net assets	**53,048**

Purchase consideration:

Inflow/(outflow) of cash to acquire the entity, net of cash acquired:

	$000
Cash balance acquired	8,238
Less cash paid	(82,303)
Net inflow/(outflow) of cash	**(74,065)**

(b) On 4 May 2016, Computershare was appointed by UK Asset Resolution Limited (UKAR) to undertake its mortgage servicing activities under a seven year contract covering GBP 30 billion of UKAR mortgages. In addition, Computershare entered into separate contracts for the servicing of the GBP 11 billion of assets purchased by other parties from UKAR in November 2015. As part of the contract, Computershare acquired around 1,700 staff as well as certain assets and liabilities of UKAR effective 6 June 2016. Consideration paid for the assets acquired was GBP 1. Computershare also paid a working capital adjustment to the sellers of $0.5 million.

Due to the structure determined by the UK Government for award of the UKAR contract, business combination accounting rules are applicable, which resulted in a gain on acquisition of $11.1 million as the total value of net assets acquired exceeded the purchase consideration. The gain is included in other income in the statement of comprehensive income and is excluded from management earnings.

Since the UKAR contract was only entered into on 4 May 2016, this business combination did not materially contribute to the total revenue of the Group in the year ended 30 June 2016.

Details of the acquisition are as follows:

	$000
Total cash paid	507
Less fair value of identifiable assets acquired	(11,620)
Provisional gain on acquisition	**(11,113)**

Assets and liabilities arising from this acquisition are as follows:

	Fair value $000
Other current assets	2,702
Property, plant and equipment	1,548
Customer contracts and related relationships	12,700
Payables	(2,195)
Provisions	(595)
Deferred tax liability	(2,540)
Net assets	**11,620**

Purchase consideration:

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

	$000
Cash consideration paid	(507)
Net inflow/(outflow) of cash	**(507)**

(c) On 27 August 2015 Computershare acquired 100% of Gilardi & Co., LLC (Gilardi), based in San Rafael, California, USA. Gilardi is a securities and anti-trust class actions claims administration business and complements Computershare's KCC business and its integrated suite of corporate restructuring, class action and legal document support solutions. Total consideration was $41.9 million, which included contingent consideration of $11.1 million. Contingent consideration is dependent on achieving net billable revenue targets over a three year period and is capped at $11.1 million.

This business combination contributed $29.2 million to the total revenue of the group. Had the acquisition occurred on 1 July 2015, the total revenue contribution to the Group by the acquired entity would have been $34.2 million.

Details of the acquisition are as follows:

	$000
Cash consideration	30,814
Contingent consideration	11,070
Total purchase consideration	41,884
Less fair value of identifiable assets acquired	(37,620)
Goodwill on consolidation	**4,264**

Assets and liabilities arising from this acquisition are as follows:

	Fair value $000
Cash	62
Current receivables	6,847
Other current assets	484
Plant, property and equipment	182
Customer contracts and related relationships	32,410
Intellectual property	1,300
Brand name	1,050
Deferred tax assets	627
Current payables	(5,216)
Other current liabilities	(126)
Net assets	**37,620**

Purchase consideration:

Inflow/(outflow) of cash to acquire the entity, net of cash acquired:

	$000
Cash balance acquired	62
Less cash paid	(30,814)
Net inflow/(outflow) of cash	**(30,752)**

(d) On 31 January 2016, Computershare acquired SyncBASE Inc., an equity plan administration business based in Toronto, Canada. Total consideration was $9.3 million. This business combination did not materially contribute to the total revenue of the Group.

Details of the acquisition are as follows:

	$000
Cash consideration	7,188
Contingent consideration	2,138
Total purchase consideration	9,326
Less fair value of identifiable assets acquired	(388)
Provisional goodwill on consolidation	**8,938**

Assets and liabilities arising from this acquisition are as follows:

	Fair value $000
Cash	982
Current receivables	351
Other current assets	16
Plant, property and equipment	23
Current payables	(953)
Current tax liabilities	(31)
Net assets	**388**

Purchase consideration:

Inflow/(outflow) of cash to acquire the entity, net of cash acquired:

	$000
Cash balance acquired	982
Less cash paid	(7,188)
Net inflow/(outflow) of cash	**(6,206)**

(e) On 1 February 2016, Computershare acquired PR im Turm HV-Service AG, a company AGM supervisor based in Mannheim, Germany. Total consideration was $3.0 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	3,049
Less fair value of identifiable assets acquired	(133)
Provisional goodwill on consolidation	**2,916**

(f) On 13 May 2016, Computershare acquired Altavera, LLC, a mortgage servicing business based in the USA. Total consideration was $2.8 million. This business combination did not materially contribute to the total revenue of the Group.

Details of the acquisition are as follows:

	$000
Cash consideration	1,425
Contingent consideration	1,350
Total purchase consideration	2,775
Less fair value of identifiable assets acquired	(275)
Provisional goodwill on consolidation	**2,500**

In accordance with the accounting policy, the acquisition accounting for Valiant Trust Company (Valiant) and Istifid S.p.A (Istifid) has been finalised. Intangible assets of $15.1 million for Valiant and $4.8 million for Istifid have been reclassified out of goodwill.

8. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	2016 $000	2015 $000
Assets classified as held for sale		
Cash and cash equivalents	**-**	48,814
Financial assets held for trading	**-**	1,904
Property, plant and equipment	**26,128**	-
Other	**-**	840
Total assets held for sale	**26,128**	51,558
Liabilities directly associated with assets classified as held for sale		
Payables	**-**	12,816
Total liabilities held for sale	**-**	12,816

On 26 April 2016, Computershare announced the sale of the land and building housing its Australian head office. The sale was completed on 9 September 2016 and is expected to result in a gain of $40.3 million, which will be recorded in next year's results. Separately, the sale process of a building located in the United Kingdom is underway and is expected to be completed within the next twelve months. The building was acquired as part of the original IML acquisition. Both the Australian head office building and land as well as the building in the UK are classified as held for sale as at 30 June 2016.

Land and buildings classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell at the time of the reclassification and are presented separately within current assets in the consolidated statement of financial position. A loss of $1.7 million before tax resulting from the write-down of the UK property to fair value less cost of disposal has been recognised in the direct services expense line of the consolidated statement of comprehensive income.

The sale process of VEM Aktienbank AG (VEM), a corporate actions bank located in Germany, was completed on 31 July 2015 and sale of the Russian registry business was completed on 17 July 2015. VEM and Russia were classified as disposal groups held for sale as at 30 June 2015. The finalisation of disposal accounting for VEM and Russia resulted in a loss of $25.9 million due to a write-off of the associated cumulative translation differences from the foreign currency translation reserve. 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.

9. INTANGIBLE ASSETS

	Goodwill $000	Customer contracts and relationships $000	Mortgage Servicing Rights $000	Other $000	Total $000
At 1 July 2015					
Opening cost	1,560,658	625,109	143,051	86,395	2,415,213
Opening accumulated amortisation and impairment	-	(205,900)	(18,720)	(58,295)	(282,915)
Opening net book amount	**1,560,658**	**419,209**	**124,331**	**28,100**	**2,132,298**
Additions[1]	43,208	65,464	191,741	3,481	303,894
Amortisation charge[2]	-	(81,525)	(24,472)	(14,686)	(120,683)
Currency translation difference	(27,968)	(12,476)	-	(1,437)	(41,881)
Closing net book amount	**1,575,898**	**390,672**	**291,600**	**15,458**	**2,273,628**
At 30 June 2016					
Cost	1,575,898	672,064	334,792	41,492	2,624,246
Accumulated amortisation and impairment	-	(281,392)	(43,192)	(26,034)	(350,618)
Closing net book amount	**1,575,898**	**390,672**	**291,600**	**15,458**	**2,273,628**
At 1 July 2014					
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)
Opening net book amount	1,739,395	443,213	58,900	33,132	2,274,640
Additions[1]	20,945	75,653	79,003	16,913	192,514
Disposals	(10,601)	(8,204)	-	(1,608)	(20,413)
Amortisation charge[2]	-	(70,719)	(13,572)	(19,440)	(103,731)
Impairment charge	(93,912)	-	-	-	(93,912)
Currency translation difference	(95,169)	(20,734)	-	(897)	(116,800)
Closing net book amount	1,560,658	419,209	124,331	28,100	2,132,298
At 30 June 2015					
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)
Closing net book amount	1,560,658	419,209	124,331	28,100	2,132,298

1 Additions comprise the recognition of intangible assets resulting from business combinations and direct purchases as well as adjustments and reclassifications 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:

	2016 $000	2015 $000
Asia	**84,574**	86,099
Australia and New Zealand	**160,083**	164,712
Canada	**122,474**	134,461
Continental Europe	**26,876**	29,093
United Kingdom, Channel Islands, Ireland and Africa (UCIA)	**99,319**	114,925
United States	**1,082,572**	1,031,368
	1,575,898	1,560,658

When testing for impairment, 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 typically based upon five years of cash flow projections 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 and restructuring. The earnings growth rates applied beyond the initial five-year period are as follows in 2016: Asia 3.8% (2015: 3.0%), Australia and New Zealand 3.0% (2015: 3.0%), Canada 2.5% (2015: 3.0%), Continental Europe 1.8% (2015: 3.0%), UCIA 3.0% (2015: 3.0%) and the United States 3.0% (2015: 3.0%).

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 11.5% (2015: 11.0%), Australia and New Zealand 12.2% (2015: 12.7%), Canada 9.8% (2015: 10.4%), Continental Europe 9.9% (2015: 9.8%), UCIA 9.4% (2015: 9.8%) and United States 10.0% (2015: 10.6%).

Impact of reasonably possible changes in key assumptions

As impairment testing is based on assumptions and judgements, the Group has considered sensitivity of the impairment test results to 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

The reduction in expected future earnings of Computershare's Voucher Services business was slower than anticipated and the present value of expected future cash flows continues to support the carrying amount of goodwill related to this business of $27.7 million. Consequently, there was no impairment of goodwill related to Voucher Services during the year. The carrying value of this goodwill will continue to be monitored and is expected to be written off in the coming years.

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 judgement 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 these 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.

	2016 $000	2015 $000
Interest bearing liabilities	**1,863,305**	1,769,104
Cash and cash equivalents[1]	**(526,575)**	(604,092)
Net debt	**1,336,730**	1,165,012
Management EBITDA (note 4)	**532,609**	554,092
Net debt to management EBITDA	**2.51**	2.10
Net debt to management EBITDA (excluding non-recourse debt)[2]	**2.12**	1.86

1 2015 includes $48.8 million cash presented in assets classified as held for sale.

2 Excludes non-recourse SLS advance debt of $208.2 million (2015: $132.4 million).

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. 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 further details refer to note 26. No other changes were made in the capital structure objectives or processes during the current financial year.

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 (2015: $395.0 million), where the fair value was $419.8 million as at 30 June 2016 (2015: $410.9 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 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 $15.7 billion (2015: $15.2 billion) and in relation to these balances, the consolidated entity has in place interest rate derivatives totalling $1.7 billion notionally (2015: $2.1 billion).

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 2016	Floating interest rate $000	Fixed interest rate maturing in: 1 year or less $000	1 to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000	Weighted average interest rate: Floating %	Fixed %
Financial assets								
Cash and cash equivalents	526,575	-	-	-	-	526,575	0.62	-
Bank deposits	13,450	6,724	-	-	-	20,174	2.08	2.50
Trade receivables	-	-	-	-	205,176	205,176	-	-
Non-trade receivables and loans	-	-	-	-	62,723	62,723	-	-
Loan servicing advances	-	-	-	-	255,139	255,139	-	-
	540,025	**6,724**	**-**	**-**	**523,038**	**1,069,787**		
Financial liabilities								
Trade payables	-	-	-	-	23,366	23,366	-	-
Finance lease liabilities	-	30,272	7,892	-	-	38,164	-	5.85
Bank loans	208,210	-	-	-	-	208,210	2.55	-
Revolving syndicated bank facilities	771,647	-	-	-	-	771,647	1.77	-
USD Senior Notes[1]	-	21,000	345,000	440,000	-	806,000	-	4.74
Derivatives[2]	1,426,437	(787,622)	(363,815)	(275,000)	495,000	495,000	0.95	1.64
	2,406,294	**(736,350)**	**(10,923)**	**165,000**	**518,366**	**2,342,387**		
As at 30 June 2015								
Financial assets								
Cash and cash equivalents[3]	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	-	-
Loan servicing advances	-	-	-	-	187,002	187,002	-	-
	619,824	3,932	-	-	432,916	1,056,672		
Financial liabilities								
Trade payables	-	-	-	-	21,062	21,062	-	-
Finance lease liabilities	-	6,052	34,337	-	-	40,389	-	5.74
Bank loans	166,753	-	-	-	-	166,753	2.31	-
Revolving syndicated bank facilities	736,527	-	-	-	-	736,527	2.24	-
USD Senior Notes[1]	-	-	366,000	440,000	-	806,000	-	4.73
Derivatives[2]	1,732,446	(1,321,446)	(136,000)	(275,000)	550,000	550,000	0.85	1.80
	2,635,726	(1,315,394)	264,337	165,000	571,062	2,320,731		

1 USD Senior Notes at cost, excluding fair value adjustments (note 13).

2 Notional principal amounts.

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

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 2016. The total sensitivity analysis is based on the assumption that there are parallel shifts in the yield curve. 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 2016 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 $9.5 million (2015: $0.6 million decrease). 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 $7.9 million (2015: $0.7 million increase).

This sensitivity calculation includes the impact of changes in interest rates on the fair value of recognised derivatives but excludes the impact on interest income derived from client balances. 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. In a rising interest rate environment, client balances that earn interest income will result in an increase to profit, while in a falling interest rate environment, client balances that earn interest income will result in a decrease to profit.

(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 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 who maintain sound credit arrangements. To supplement 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 2017	229.3
June 2018	489.6
June 2019	305.0
June 2020	322.0
June 2021	-
June 2022	220.0
June 2023	-
June 2024	220.0
Total	**1,785.9**

The Group had access to unutilised committed debt of $0.4 million maturing in July 2017 and $128.0 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**
As at 30 June 2016				
Non-derivatives				
Trade payables	23,366	-	-	23,366
Other payables	359,555	9,740	-	369,295
Borrowings (excluding finance leases)	285,816	1,238,105	478,566	2,002,487
Finance lease liabilities (undiscounted)	33,258	7,957	-	41,215
Put option liability	37,275	-	-	37,275
Total non-derivatives	**739,270**	**1,255,802**	**478,566**	**2,473,638**
Derivatives				
Net settled (interest rate swaps)	1,978	944	-	2,922
Gross settled (cross currency and FX swaps)				
- (Inflow)	(554,310)	-	-	(554,310)
- Outflow	549,274	-	-	549,274
Total derivatives	**(3,058)**	**944**	**-**	**(2,114)**
As at 30 June 2015				
Non-derivatives				
Trade payables	21,062	-	-	21,062
Other payables	371,386	1,374	-	372,760
Borrowings (excluding finance leases)	246,949	1,251,098	497,684	1,995,731
Finance lease liabilities (undiscounted)	7,775	37,192	-	44,967
Put option liability	30,441	-	-	30,441
Total non-derivatives	677,613	1,289,664	497,684	2,464,961
Derivatives				
Net settled (interest rate swaps)	957	1,644	-	2,601
Gross settled (cross currency and FX swaps)				
- (Inflow)	(284,851)	-	-	(284,851)
- Outflow	301,920	-	-	301,920
Total derivatives	18,026	1,644	-	19,670

(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.

Level 3: Valuation methodology of the asset or liability uses inputs that are not based on observable market data (unobservable inputs). This is the case of investments in unconsolidated structured entities (refer to note 19), which are included in the available-for-sale financial assets.

The fair value of the investment in structured entities is determined by reference to the equity interest in net assets of these entities, which approximate their fair values. As profits are realised and dividends are paid to equity investors, the net assets of these entities decrease and so does the fair value of the Group's investment.

The following tables present the Group's financial assets and liabilities measured and recognised at fair value at 30 June 2016. The comparative figures are also presented below.

As at 30 June 2016	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets				
Derivative financial instruments	-	49,987	-	49,987
Available-for-sale financial assets	1,761	-	16,317	18,078
Total assets	**1,761**	**49,987**	**16,317**	**68,065**
Liabilities				
Borrowings	-	452,451	-	452,451
Derivative financial instruments	-	6,738	-	6,738
Total liabilities	**-**	**459,189**	**-**	**459,189**
As at 30 June 2015				
Assets				
Derivative financial instruments	-	31,989	-	31,989
Available-for-sale financial assets	1,980	-	6,034	8,014
Total assets	1,980	31,989	6,034	40,003
Liabilities				
Borrowings	-	433,428	-	433,428
Derivative financial instruments	-	30,570	-	30,570
Total liabilities	-	463,998	-	463,998

The following table presents the changes in level 3 items for the periods ended 30 June 2016 and 30 June 2015:

	2016 $000	2015 $000
Opening balance at 1 July	**6,034**	7,068
Additions	10,683	-
Return of capital	(400)	(1,034)
Closing balance at 30 June	**16,317**	6,034

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2016 $000	2015 $000
Derivative assets		
Current	**1,952**	750
Non-current	**48,035**	31,239
	49,987	31,989
Derivative assets – current and non-current		
Fair values of interest rate derivatives designated as cash flow hedges (a)	**65**	753
Fair values of interest rate derivatives designated as fair value hedges (b)	**47,075**	29,570
Fair value of derivatives for which hedge accounting has not been applied	**2,847**	1,666
Total derivative assets	**49,987**	31,989
Derivative liabilities		
Current	**1,238**	20,838
Non-current	**5,500**	9,732
	6,738	30,570
Derivative liabilities – current and non-current		
Fair values of interest rate derivatives designated as cash flow hedges (a)	**2**	1
Fair values of cross currency derivatives designated as hedge of net investment (c)	**976**	20,693
Fair value of derivatives for which hedge accounting has not been applied	**5,760**	9,876
Total derivative liabilities	**6,738**	30,570

(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 27) 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 2016, a loss of $0.1 million was transferred to the profit or loss (30 June 2015: $0.2 million gain). A loss before tax of $0.5 million was transferred to the statement of comprehensive income in the year ended 30 June 2016 (30 June 2015: a loss before tax of $0.1 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 27) 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 2016, a gain of $0.9m was recognised in profit or loss (30 June 2015: $0.9m loss).

13. INTEREST BEARING LIABILITIES

	2016 $000	2015 $000
Current		
Bank loans (SLS non-recourse advance facility)	**208,210**	166,753
USD Senior Notes (b)	**21,606**	-
Lease liability – secured (c)	**30,272**	6,052
	260,088	172,805
Non-current		
Revolving syndicated bank facilities (a)	**771,647**	736,527
USD Senior Notes (b)	**823,678**	825,435
Lease liability – secured (c)	**7,892**	34,337
	1,603,217	1,596,299

(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 $771.6 million at 30 June 2016. The facilities are subject to negative pledge undertakings and impose certain covenants upon the consolidated entity. The Group has complied with the negative pledge undertakings and covenants imposed on it for the year ended 30 June 2016. The Group expects the facility maturing on 17 July 2017 to be refinanced on or before maturity date.

(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, seven and ten year notes with a total value of $297.5 million were repaid in prior years. The twelve year notes with a total value of $21.0 million are due to be repaid during the 2017 financial year.

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 Group uses interest rate derivatives to manage the fixed interest exposure.

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

	2016 $000	2015 $000
USD Senior Notes Reconciliation		
USD Senior Notes at cost	**806,000**	806,000
Fair value adjustments	**39,284**	19,435
Total net debt	**845,284**	825,435
Interest rate derivative (asset) - fair value hedge (note 12)	**(47,075)**	(29,570)
Total	**798,209**	795,865

Fair value adjustments represent loan origination fees and the revaluation of the hedged portion of the USD Senior Notes. Hedged USD Senior Notes amounted to $411.0 million as at 30 June 2016 (2015: $411.0 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 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 interest rate risk exposure.

(c) The lease liability is secured directly against the assets to which the leases relate (note 36). During the year, Computershare entered into a contract to sell the land and building housing its Australian head office. The sale was completed on 9 September 2016, and the related finance lease liability was recognised as current at 30 June 2016.

14. RECEIVABLES

	2016 $000	2015 $000
Current		
Trade receivables	**215,622**	205,126
Less: provision for doubtful debts	**(10,446)**	(7,201)
Trade receivables (net)	**205,176**	197,925
Accrued revenue	**157,444**	115,271
Other non-trade amounts	**62,723**	47,989
	425,343	361,185
Non-current		
Other	**876**	972
	876	972

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 $3.8 million (2015: $3.6 million) in respect of bad trade receivables during the year ended 30 June 2016. 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:

		Past due but not impaired			
	Neither past due nor impaired $000	Less than 30 days overdue $000	More than 30 days but less than 90 days overdue $000	More than 90 days overdue $000	Total $000
30 June 2016	**145,531**	**36,263**	**15,477**	**7,905**	**205,176**
30 June 2015	135,193	37,865	18,471	6,396	197,925

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

15. LOAN SERVICING ADVANCES

	2016 $000	2015 $000
Current		
Loan servicing advances	**255,139**	187,002

An overseas subsidiary performing loan servicing activities 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. In general, the overseas subsidiary is reimbursed for advances from collections from the relevant pool of mortgages. In the event that pool level collections are not adequate for full reimbursement, the outstanding advances receive priority over any other liability from the proceeds from the liquidation of the property.

16. OTHER FINANCIAL ASSETS

Current		
Broker client deposits	**18,655**	22,655

An overseas entity is a licensed deposit taker. This controlled entity accepts deposits in its own name, and records these funds as other financial assets together with a corresponding liability (note 21). The deposits are insured through a local regulatory authority.

17. INVENTORIES

Raw materials and stores, at cost	**4,406**	4,742
Work in progress, at cost	**106**	111
	4,512	4,853

18. OTHER CURRENT ASSETS

Prepayments	**26,887**	29,098
Other	**2,807**	4,264
	29,694	33,362

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Current		
Debt securities	**554**	588
Equity securities	**37**	32
	591	620
Non-current		
Equity securities	**17,487**	7,394

Investment in structured entities

Non-current equity securities include $16.3 million of investments in unconsolidated structured entities (2015: $6.0 million). An overseas subsidiary of the Group occasionally sells economic benefits and obligations associated with mortgage servicing rights to unconsolidated structured entities while retaining a 20% equity interest in these entities. An unaffiliated third party, which owns 80% of the structured entities as asset manager, provides investment opportunities to investors and is considered a sponsor of these entities. The overseas subsidiary of the Group continues to service the loans associated with the mortgage servicing rights sold to the structured entities and receives a portion of the related economic benefit for providing such services.

The structured entities are designed to hold assets that will generate cash flows for their equity investors. The acquisition of these assets is fully funded at inception and future financial support is not expected to be required. As there is no obligation to provide further funding, the exposure to loss from the Group's interest in the structured entities is limited to the carrying amount of the investment.

20. 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
At 1 July 2015							
Opening net book amount	22,000	51,932	53,730	9,422	84	23,939	161,107
Acquisition of entities and businesses		1,548	915	132	43	-	2,638
Additions	-	4,348	22,374	1,096	166	2,895	30,879
Disposals	-	(720)	(42)	-	(14)	-	(776)
Depreciation charge	-	(1,946)	(26,243)	(3,223)	(83)	(7,220)	(38,715)
Asset write-down	(1,190)	(497)	-	-	-	-	(1,687)
Currency translation differences	(1,977)	(6,021)	(1,833)	(527)	(10)	(415)	(10,783)
Transfers and other*	(10,613)	(14,975)	(373)	(4)	4	(167)	(26,128)
Closing net book amount	**8,220**	**33,669**	**48,528**	**6,896**	**190**	**19,032**	**116,535**
Cost	8,220	45,012	284,509	34,467	927	50,378	423,513
Accumulated depreciation	-	(11,343)	(235,981)	(27,571)	(737)	(31,346)	(306,978)
At 30 June 2016	**8,220**	**33,669**	**48,528**	**6,896**	**190**	**19,032**	**116,535**

* Includes $26.1 million land, buildings and related property, plant and equipment re-classified as held for sale as at 30 June 2016.

	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
At 1 July 2014							
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)	-
Closing net book amount	22,000	51,932	53,730	9,422	84	23,939	161,107
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)
At 30 June 2015	22,000	51,932	53,730	9,422	84	23,939	161,107

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

	2016 $000	2015 $000
Leased assets		
Land	-	9,264
Building, freehold and leasehold	**1,282**	16,675
Plant and equipment owned and leased	**6,601**	3,724
	7,883	29,663

21. PAYABLES

Current		
Trade payables – unsecured	**23,366**	21,063
Expense accruals	**114,919**	112,245
Deferred revenue	**30,052**	29,052
GST/VAT payable	**19,843**	14,566
Employee entitlements	**19,749**	15,169
Broker client deposits (note 16)	**18,655**	22,655
Interest payable	**18,135**	18,946
Other payables	**138,202**	158,752
	382,921	392,448
Non-current		
Other payables	**9,740**	1,374
	9,740	1,374

22. PROVISIONS

Current		
Restructuring	**9,910**	8,510
Acquisitions related	**9,992**	8,488
Tax related	**7,316**	7,587
Lease related	**2,484**	4,014
Other	**10,986**	15,632
	40,688	44,231
Non-current		
Employee entitlements	**14,424**	14,900
Acquisitions related	**13,878**	15,530
Other	**827**	1,118
	29,129	31,548

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	8,510	8,488	7,587	4,014	15,632	44,231
Additions	12,144	4,100	-	538	4,523	21,305
Payments	(11,169)	(3,049)	(271)	(1,840)	(3,051)	(19,380)
Reversals	-	(641)	-	(267)	(3,388)	(4,296)
Transfers and other	482	1,520	-	222	(493)	1,731
Foreign exchange movements	(57)	(426)	-	(183)	(2,237)	(2,903)
Carrying amount at end of year	**9,910**	**9,992**	**7,316**	**2,484**	**10,986**	**40,688**

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

	Acquisitions related $000	Other $000	Total $000
Carrying amount at start of year	15,530	1,118	16,648
Additional provisions recognised through profit or loss	-	165	165
Transfers and other	(1,652)	(456)	(2,108)
Carrying amount at end of year	**13,878**	**827**	**14,705**

23. DEFERRED CONSIDERATION

	2016 $000	2015 $000
Current		
Deferred settlements on acquisition of entities	**12,402**	6,585
Non-current		
Deferred settlements on acquisition of entities	**65,969**	4,869

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

Contingent consideration of $47.3 million was recognised during the financial year related to the acquisition of Homeloan Management Limited.

24. OTHER LIABILITIES

Current		
Put option liability (a)	**37,275**	30,441
Mortgage servicing related liabilities (b)	**30,383**	12,998
Lease inducements (c)	**2,211**	1,098
	69,869	44,537
Non-current		
Mortgage servicing related liabilities (b)	**124,222**	38,288
Lease inducements (c)	**2,801**	3,497
	127,023	41,785

(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) Mortgage servicing related liabilities represent the portion of the economic benefits of mortgage servicing rights that has been transferred to third parties. The liabilities amortise over the same useful life as the related mortgage servicing rights (note 9).

(c) Lease inducements represent cash payments received as allowances for leasehold improvements made to a number of premises. These receipts are accounted for as reductions in rental expense over the lease term.

25. INTERESTS IN EQUITY

	Members of the parent entity		Non-controlling interests	
	2016 $000	2015 $000	**2016 $000**	2015 $000
Interest in the equity of the consolidated entity:				
Contributed equity – ordinary shares	**-**	35,703	**990**	785
Reserves	**(81,472)**	(19,362)	**(6,490)**	(5,302)
Retained earnings	**1,176,690**	1,147,906	**19,015**	17,911
Total interests in equity	**1,095,218**	1,164,247	**13,515**	13,394

26. CONTRIBUTED EQUITY

	2016 $000	2015 $000
Ordinary shares	**-**	35,703
Total contributed equity	**-**	35,703

Share buy-back

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.

From 1 September 2015 until 30 June 2016, the Company purchased 9,377,069 ordinary shares at a total cost of AU$100.6 million (US$73.2 million). The shares were acquired at an average price of AU$10.73 and a price range from AU$9.00 to AU$11.86. As at 30 June 2016, 9,056,656 of the purchased ordinary shares have been cancelled.

Since the effect of share buy-backs over the years has reduced contributed equity to nil, a reserve has been created to reflect the excess value of shares bought over the original amount of subscribed capital.

There has been no issue of ordinary shares during the year ended 30 June 2016.

Movement in contributed equity

	Number of shares	**$000**
Balance at 1 July 2015	556,203,079	35,703
Share buy-back	(9,377,069)	(73,172)
Transfer to share buy-back reserve	-	37,469
Balance as at 30 June 2016	**546,826,010**	**-**

27. RESERVES

	2016 $000	2015 $000
Capital redemption reserve	**2**	2
Foreign currency translation reserve	**(58,639)**	(35,670)
Share buy-back reserve	**(37,469)**	-
Cash flow hedge reserve	**(4,855)**	(4,464)
Share based payments reserve	**43,925**	45,144
Equity related consideration	**(8,199)**	(8,199)
Available-for-sale asset reserve	**267**	329
Transactions with non-controlling interests	**(16,504)**	(16,504)
	(81,472)	(19,362)
Movements during the year:		
Foreign currency translation reserve		
Opening balance	**(35,670)**	54,865
Translation of controlled entities	**(45,527)**	(105,255)
Amounts reclassified to profit or loss during the year	**29,505**	-
Deferred tax	**(6,947)**	14,720
Closing balance	**(58,639)**	(35,670)
Share buy-back reserve		
Excess value of shares bought over the original amount of subscribed capital	**(37,469)**	-
Closing balance	**(37,469)**	-
Cash flow hedge reserve		
Opening balance	**(4,464)**	(4,654)
Revaluation – gross	**(497)**	(53)
Deferred tax	**106**	243
Closing balance	**(4,855)**	(4,464)
Share based payments reserve		
Opening balance	**45,144**	58,116
Cash purchase of shares for employee and executive share plans	**(12,177)**	(27,971)
Share based payments expense	**10,958**	14,999
Closing balance	**43,925**	45,144
Equity related contingent consideration reserve		
Opening balance	**(8,199)**	(8,199)
Closing balance	**(8,199)**	(8,199)
Available-for-sale asset reserve		
Opening balance	**329**	320
Revaluation – gross	**(62)**	9
Closing balance	**267**	329
Transactions with non-controlling interests		
Opening balance	**(16,504)**	(16,210)
Transfer from non-controlling interests	**-**	(294)
Closing balance	**(16,504)**	(16,504)

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 43. 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) *Share buy-back reserve*

This reserve is used to record the excess value of shares bought over the original amount of subscribed capital.

(c) *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 43.

(d) *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.

(e) *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.

(f) *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 43.

(g) *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.

28. RETAINED EARNINGS AND DIVIDENDS

	2016 $000	2015 $000
Retained earnings		
Retained earnings at the beginning of the financial year	1,147,906	1,134,305
Ordinary dividends provided for or paid	(128,550)	(139,975)
Net profit attributable to members of Computershare Limited	157,334	153,576
Retained earnings at the end of the financial year	1,176,690	1,147,906
Dividends		
Ordinary		
Dividends paid during the financial year in respect of the previous year, AUD 16 cents per share franked to 25% (2015 – AUD 15 cents per share franked to 20%)	64,726	69,987
Dividends paid in respect of the current financial year ended June 2016, AUD 16 cents per share franked to 100% (2015 – AUD 15 cents per share franked to 20%)	63,824	69,987
Dividend franking account		
Franking credits available for subsequent financial years based on a tax rate of 30%	10,292	27,153

29. 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, ZAO <<Ediniy Registrator>>, Karvy Computershare Private Limited and Karvy Computershare (Malaysia) Sdn Bhd 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 2016 include the following controlled entities:

Name of controlled entity	Place of incorporation		Percentage of shares held 2016 %	2015 %
Computershare Limited	Australia	(2)	**-**	-
A.C.N. 080 903 957 Pty Ltd	Australia	(1)(2)	**100**	100
A.C.N. 081 035 752 Pty Ltd	Australia	(1)(2)	**100**	100
CDS International Pty Limited	Australia	(1)(2)	**100**	100
Communication Services Australia Pty Limited	Australia	(1)(2)	**100**	100
Computershare Clearing Pty Limited	Australia	(1)	**100**	100
Computershare Communication Services Pty Limited	Australia	(1)(2)	**100**	100
Computershare Dealing Services Pty Ltd	Australia	(1)	**100**	100
Computershare Depositary Pty Limited	Australia	(1)	**100**	100
Computershare Finance Company Pty Limited	Australia	(1)(2)	**100**	100
Computershare Investor Services Pty Limited	Australia	(1)(2)	**100**	100
Computershare Plan Co Pty Ltd	Australia	(1)	**100**	100
Computershare Plan Managers Pty Ltd	Australia	(1)	**100**	100
Computershare Technology Services Pty Ltd	Australia	(1)(2)	**100**	100
CPU Share Plans Pty Limited	Australia	(1)	**100**	100
CRS Custodian Pty Ltd	Australia	(1)	**100**	100
Financial Market Software Consultants Pty Ltd	Australia	(1)	**100**	100
Georgeson Shareholder Communications Australia Pty. Ltd.	Australia	(1)	**100**	100
Global eDelivery Group Pty Ltd	Australia	(1)	**100**	100
Obadele Pty Ltd	Australia	(1)(2)	**100**	100
Q M Industries (N.S.W.) Pty. Ltd.	Australia	(1)	**100**	100
Registrars Holding Pty Ltd	Australia	(1)(2)	**100**	100
Sepon (Australia) Pty. Limited	Australia	(1)	**100**	100
Serviceworks Management Pty Ltd	Australia	(1)(2)	**100**	100
Source One Communications Australia Pty Ltd	Australia	(1)	**100**	100
Switchwise Pty Ltd	Australia	(1)	**100**	100
Karvy Computershare W.L.L	Bahrain	(3)	**50**	50
Computershare Canada Inc.	Canada	(1)	**100**	100
Computershare Governance Services Ltd	Canada	(1)	**100**	100
Computershare Investment Inc.	Canada	(1)(4)	**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
Computershare Investor Services Inc.	Canada	(1)	**100**	100
Computershare Services Canada Inc.	Canada	(1)	**100**	100
Computershare Technology Services Inc.	Canada	(1)	**100**	100
Computershare Trust Company of Canada	Canada	(1)	**100**	100
Georgeson Shareholder Communications Canada Inc.	Canada	(1)	**100**	100
GSC Shareholder Services Inc.	Canada	(1)(5)	**-**	100
SyncBASE Inc.	Canada	(1)(4)	**100**	-
Computershare International Information Consultancy Services (Beijing) Company Ltd	China	(1)	**100**	100
Computershare A/S	Denmark	(1)	**100**	100

Name of controlled entity	Place of incorporation		Percentage of shares held	
			2016 %	2015 %
Georgeson Shareholder SAS	France	(1)	**100**	100
Computershare Communication Services GmbH	Germany	(1)	**100**	100
Computershare Deutschland GmbH & Co. KG	Germany	(1)	**100**	100
Computershare Governance Services GmbH	Germany	(1)	**100**	100
Computershare Verwaltungs GmbH	Germany	(1)	**100**	100
Grundstücksentwicklungs Gesellschaft “Am Schönberg” GmbH	Germany	(1)	**100**	100
PR im Turm HV-Service AG	Germany	(1)(4)	**100**	-
VEM Aktienbank AG	Germany	(1)(5)	**-**	100
Computershare Investor Services (Guernsey) Limited	Guernsey	(1)	**100**	100
Computershare Asia Limited	Hong Kong	(1)	**100**	100
Computershare Hong Kong Development Limited	Hong Kong	(1)	**100**	100
Computershare Hong Kong Investor Services Limited	Hong Kong	(1)	**100**	100
Computershare Hong Kong Nominees Limited	Hong Kong	(1)	**100**	100
Computershare Hong Kong Trustees Limited	Hong Kong	(1)	**100**	100
Hong Kong Registrars Limited	Hong Kong	(1)	**100**	100
Karvy Computershare Private Limited	India	(3)	**50**	50
Computershare Finance Ireland Limited	Ireland	(1)	**100**	100
Computershare Governance Services Limited	Ireland	(1)	**100**	100
Computershare Investor Services (Ireland) Limited	Ireland	(1)	**100**	100
Computershare Services Nominees (Ireland) Limited	Ireland	(1)	**100**	100
Computershare Trustees (Ireland) Limited	Ireland	(1)	**100**	100
HML Mortgage Services Ireland Limited	Ireland	(1)	**100**	100
Specialist Mortgage Services Ireland Limited	Ireland	(1)	**100**	100
Computershare Investor Services (IOM) Limited	Isle of Man	(1)	**100**	100
Computershare Italy S.r.l.	Italy	(1)	**100**	100
Computershare S.p.A.	Italy	(1)	**100**	100
Georgeson S.r.l.	Italy	(1)	**100**	100
Proxitalia S.r.l.	Italy	(1)	**100**	100
Computershare Company Secretarial Services (Jersey) Limited	Jersey	(1)	**100**	100
Computershare DR Nominees Limited	Jersey	(1)	**100**	100
Computershare Investor Services (Jersey) Limited	Jersey	(1)	**100**	100
Computershare Nominees (Channel Islands) Limited	Jersey	(1)	**100**	100
Computershare Offshore Services Limited	Jersey	(1)	**100**	100
Computershare Trustees (C.I.) Limited	Jersey	(1)	**100**	100
Computershare Trustees (Jersey) Limited	Jersey	(1)	**100**	100
EES Nominees International Limited	Jersey	(1)	**100**	100
Karvy Computershare (Malaysia) Sdn Bhd	Malaysia	(3)(4)	**50**	-
Computershare Netherlands B.V.	Netherlands	(1)	**100**	100
Computershare Investor Services Limited	New Zealand	(1)	**100**	100
Computershare Nominees NZ Limited	New Zealand	(1)	**100**	100
Computershare Systems (NZ) Limited	New Zealand	(1)(5)	**-**	100
ConnectNow New Zealand Limited	New Zealand	(1)	**100**	100
CPU (NZ) Share Plans Limited	New Zealand	(1)(5)	**-**	100
CRS Nominees Ltd	New Zealand	(1)	**100**	100
Sharemart NZ Ltd	New Zealand	(1)(5)	**-**	100
Closed Joint Stock Company <<Computershare Registrar>>	Russia	(1)(5)	**-**	100
Computershare LLC	Russia	(1)(5)	**-**	100
ZAO <<Ediniy Registrator>>	Russia	(1)	**98**	98
CIS Company Secretaries (Pty) Ltd	South Africa	(1)	**74**	74
Computershare (Pty) Ltd	South Africa	(1)	**74**	74
Computershare Investor Services (Pty) Ltd	South Africa	(1)	**74**	74
Computershare Nominees (Pty) Ltd	South Africa	(1)	**74**	74

Name of controlled entity	Place of incorporation		Percentage of shares held 2016 %	2015 %
Computershare Outsourcing (Pty) Ltd	South Africa	(1)	**74**	74
Computershare South Africa (Pty) Ltd	South Africa	(1)	**74**	74
Computershare TR Services (Pty) Ltd	South Africa	(1)	**74**	74
Minu (Pty) Ltd	South Africa	(1)	**74**	74
Georgeson S.l	Spain	(1)	**100**	100
Computershare AB	Sweden	(1)	**100**	100
Baseline Capital Limited	United Kingdom	(1)	**100**	100
Computershare (Russia) Limited	United Kingdom	(1)	**100**	100
Computershare Company Nominees Limited	United Kingdom	(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 Investments (UK) (No.3) Limited	United Kingdom	(1)	**100**	100
Computershare Investments (UK) (No.5) 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 Investments (UK) Limited	United Kingdom	(1)	**100**	100
Computershare Investor Services (Bermuda) Limited	United Kingdom	(1)	**100**	100
Computershare Investor Services (British Virgin Islands) Limited	United Kingdom	(1)	**100**	100
Computershare Investor Services (Cayman) Limited	United Kingdom	(1)	**100**	100
Computershare Investor Services PLC	United Kingdom	(1)	**100**	100
Computershare Limited	United Kingdom	(1)	**100**	100
Computershare Mortgage Services Limited	United Kingdom	(1)	**100**	100
Computershare PEP Nominees Limited	United Kingdom	(1)	**100**	100
Computershare Regional Services Limited	United Kingdom	(1)	**100**	100
Computershare Services Limited	United Kingdom	(1)	**100**	100
Computershare Services Nominees 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 Voucher Services Limited	United Kingdom	(1)	**100**	100
Credit Advisory Services Limited	United Kingdom	(1)(4)	**100**	-
EES Capital Trustees 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
Homeloan Management Limited	United Kingdom	(1)	**100**	100
KB Analytics Limited	United Kingdom	(1)	**100**	100
Legotla Investments (UK) Limited	United Kingdom	(1)	**100**	100
Mortgage Systems Limited	United Kingdom	(1)	**100**	100
NRC Investments (UK) Limited	United Kingdom	(1)	**100**	100
Pathbold Limited	United Kingdom	(1)	**100**	100
Topaz Finance Limited	United Kingdom	(1)	**100**	100
Administar Services Group LLC	United States of America	(1)	**100**	100
Altavera, LLC	United States of America	(1)(4)	**100**	-
Altavera Mortgage Services, LLC	United States of America	(1)(4)	**100**	-
Capital Markets Cooperative, LLC	United States of America	(1)(4)	**100**	-
Capital Markets Holdings, Inc.	United States of America	(1)(4)	**100**	-
CMC Funding, Inc.	United States of America	(1)(4)	**100**	-
Computershare Communication Services Inc.	United States of America	(1)	**100**	100
Computershare Finance LLC	United States of America	(1)	**100**	100
Computershare Governance Services Inc.	United States of America	(1)	**100**	100

Name of controlled entity	Place of incorporation		Percentage of shares held 2016 %	2015 %
Computershare Holdings Inc.	United States of America	(1)	**100**	100
Computershare Holdings LLC	United States of America	(1)	**100**	100
Computershare Inc.	United States of America	(1)	**100**	100
Computershare Mortgage Services LLC	United States of America	(1)(4)	**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 US	United States of America	(1)	**100**	100
Computershare US Investments LLC	United States of America	(1)(4)	**100**	-
Computershare US Services Inc.	United States of America	(1)	**100**	100
Data Point Analysis Group, LLC	United States of America	(1)(4)	**100**	-
Georgeson LLC	United States of America	(1)	**100**	100
Georgeson Securities Corporation	United States of America	(1)	**100**	100
Gilardi & Co., LLC	United States of America	(1)(4)	**100**	-
Gilco LLC	United States of America	(1)(4)	**100**	-
GTU Ops Inc.	United States of America	(1)	**100**	100
HELOC Funding II Trust	United States of America	(1)	**100**	100
KCC Class Action Services LLC	United States of America	(1)	**100**	100
Kurtzman Carson Consultants Inc.	United States of America	(1)	**100**	100
Kurtzman Carson Consultants, LLC	United States of America	(1)	**100**	100
MSR Robin Advances (Depositor) LLC	United States of America	(1)	**100**	100
MSR Robin Advances Issuer Trust	United States of America	(1)	**100**	100
RCNG LLC	United States of America	(1)	**100**	100
Rosenthal & Company, LLC	United States of America	(1)	**100**	100
Settlement Recovery Group 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
Specialized Asset Management LLC	United States of America	(1)	**100**	100
Specialized Default Services 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
Specialized Title Services LLC	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 2016.

(5) These companies ceased to be controlled entities during the year ended 30 June 2016.

30. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2016 $000	2015 $000
Interests in associates (note 31)	**27,253**	30,038
Interests in joint ventures (note 32)	**104**	1,558
	27,357	31,596

31. ASSOCIATES

Details of interests in associates are as follows:

			Ownership interest		Consolidated carrying amount	
Name	**Place of incorporation**	**Principal activity**	**June 2016 %**	June 2015 %	**June 2016 $000**	June 2015 $000
Expandi Ltd	United Kingdom	Investor Services	**25**	25	**6,045**	6,226
Milestone Group Pty Ltd	Australia	Technology Services	**20**	20	**5,623**	6,004
The Reach Agency Pty Ltd	Australia	Investor Services	**49**	49	**1,244**	1,068
INVeSHARE Inc.	United States	Investor Services	**40**	40	**14,326**	16,713
Mergit s.r.l.	Italy	Technology Services	**30**	30	**15**	27
Total investments in associates					**27,253**	30,038

	2016 $000	2015 $000
Movements in carrying value of investments in associates		
Carrying amount at the beginning of the financial year	**30,038**	35,052
Share of net result (after income tax)	**(1,339)**	(2,617)
Dividends received	**(254)**	(206)
Share of movement in reserves	**(1,192)**	(2,191)
Carrying amount at the end of the financial year	**27,253**	30,038

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.

32. JOINT VENTURES

Details of interests in joint ventures are as follows:

Name	Place of incorporation	Principal activity	Ownership interest June 2016 %	Ownership interest June 2015 %	Consolidated carrying amount June 2016 $000	Consolidated carrying amount June 2015 $000
Japan Shareholder Services Ltd*	Japan	Technology Services	**-**	50	**-**	1,415
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	**104**	143
Total investment in joint ventures					**104**	1,558

* Japan Shareholder Services Ltd was disposed during the year.

	2016 $000	2015 $000
Movement in carrying amount of investment in joint ventures		
Carrying amount at the beginning of the financial year	**1,558**	1,761
Disposal of investments*	**(1,200)**	-
Share of net result of joint ventures (after income tax)	**(10)**	301
Dividends received	**(203)**	(151)
Share of movement in reserves	**(41)**	(353)
Carrying amount at the end of the financial year	**104**	1,558

* A gain of $0.3m was recorded on the sale of Japan Shareholder Services Ltd.

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.

33. 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 2016 for all entities that are parties to a deed of cross guarantee (refer to note 29).

Computershare Limited Closed Group – Statement of financial position	**2016 $000**	2015 $000
Current assets		
Cash and cash equivalents	**30,942**	56,327
Receivables	**70,560**	118,326
Inventories	**964**	1,048
Other current assets	**3,088**	7,559
Derivative financial instruments	**634**	-
Assets classified as held for sale	**23,842**	-
Total current assets	**130,030**	183,260
Non-current assets		
Receivables	**142,982**	184,883
Other financial assets	**1,737,267**	1,921,150
Property, plant and equipment	**10,797**	38,151
Deferred tax assets	**48,579**	60,098
Intangibles	**127,061**	148,888
Derivative financial instruments	**48,014**	31,237
Other non-current assets	**686**	448
Total non-current assets	**2,115,386**	2,384,855
Total assets	**2,245,416**	2,568,115
Current liabilities		
Payables	**172,896**	181,102
Lease liabilities	**25,966**	1,431
Current tax liabilities	**6,715**	12,708
Provisions	**1,006**	2,629
Derivative financial instruments	**1,236**	20,836
Other liabilities	**37,385**	30,554
Total current liabilities	**245,204**	249,260
Non-current liabilities		
Payables	**132,163**	130,248
Interest bearing liabilities	**491,509**	578,310
Lease liabilities	**1,411**	26,081
Deferred tax liabilities	**15,917**	17,048
Provisions	**11,656**	11,778
Derivative financial instruments	**5,500**	9,732
Other liabilities	**471**	884
Total non-current liabilities	**658,627**	774,081
Total liabilities	**903,831**	1,023,341
Net assets	**1,341,585**	1,544,774
Equity		
Contributed equity – ordinary shares	**-**	158,818
Reserves	**(114,016)**	(35,660)
Retained earnings	**1,455,601**	1,421,616
Total equity	**1,341,585**	1,544,774

Computershare Limited Closed Group – Statement of comprehensive income	2016 $000	2015 $000
Revenues from continuing operations		
Sales revenue	**246,832**	277,044
Other revenue	**208,075**	440,908
Total revenue from continuing operations	**454,907**	717,952
Other income	**60,547**	33,466
Expenses		
Direct services	**205,193**	320,298
Technology costs	**71,897**	75,185
Corporate services	**22,030**	15,129
Finance costs	**24,545**	27,335
Total expenses	**323,665**	437,947
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	**142**	(184)
Profit before income tax expense	**191,931**	313,287
Income tax expense/(credit)	**29,383**	(1,833)
Profit for the year	**162,548**	315,120
Other comprehensive income		
Cash flow hedges	**-**	(581)
Exchange differences on translation of foreign operations	**(42,365)**	(304,597)
Income tax relating to components of other comprehensive income	**-**	348
Total other comprehensive income for the year, net of tax	**(42,365)**	(304,830)
Total comprehensive income for the year	**120,183**	10,290

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	**1,421,616**	1,246,519
Profit for the year	**162,548**	315,120
Dividends provided for or paid	**(128,563)**	(140,023)
Retained earnings at the end of the financial year	**1,455,601**	1,421,616

34. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

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

	2016 $000	2015 $000
Balance sheet		
Current assets	**64,501**	106,832
Non-current assets	**826,016**	845,945
Total assets	**890,517**	952,777
Current liabilities	**63,098**	76,142
Non-current liabilities	**727,479**	611,174
Total liabilities	**790,577**	687,316
Equity		
Contributed equity – ordinary shares	**-**	35,703
Reserves		
Share buy-back reserve	**(37,469)**	-
Capital redemption reserve	**2**	2
Foreign currency translation reserve	**68,136**	78,921
Share based payment reserve	**33,162**	32,001
Equity related consideration	**(2,327)**	(2,327)
Available-for-sale asset reserve	**(60)**	(60)
Retained earnings	**38,496**	121,221
Total equity	**99,940**	265,461
Profit/(loss) attributable to members of the parent entity	**45,825**	98,483
Total comprehensive income attributable to members of the parent entity	**35,040**	34,365

(b) Guarantees entered into by the parent entity

The parent entity's financial guarantees have been outlined in note 35.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2016 or 30 June 2015 other than guarantees given by the parent entity outlined in note 35.

(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 2016 and 30 June 2015.

35. CONTINGENT LIABILITIES

(a) Guarantees and Indemnities

Guarantees and indemnities of $900.0 million (2015: $900.0 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).

Guarantees and indemnities of $806.0 million (2015: $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.

Bank guarantees of AUD 4.8 million (2015: AUD 4.2 million) have been given in respect of facilities provided to Australian subsidiaries.

A performance guarantee of ZAR 16.0 million (2015: ZAR 15.0 million) has been given by Computershare (Pty) Ltd to provide security for the performance of obligations as a Central Securities Depositor Participant.

(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 (Pty) Ltd. This obligates Computershare Limited (Australia) to maintain combined tier one capital of at least ZAR 455.0 million.

Potential withholding and other tax liabilities arising from distribution of all retained distributable earnings of all foreign incorporated controlled entities are $47.1 million (2015: $40.9 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 LLC, 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.

36. 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 3,663 employees (2015: 3,031). Actuarial valuation of the scheme is provided by the Life Insurance Corporation, which maintains the fund. The net liability is not material to the Group.

Computershare Deutschland GmbH & Co. KG and Computershare Communication Services GmbH maintained a defined benefit scheme which provides benefits to 9 employees (2015: 15) An actuarial assessment of the scheme was completed as at 30 June 2016 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

	2016 $000	2015 $000
Commitments in relation to finance leases are payable as follows:		
Not later than 1 year	**33,258**	7,775
Later than 1 year but not later than 5 years	**7,957**	37,192
Minimum lease payments	**41,215**	44,967
Less: Future finance charges		
Not later than 1 year	**(2,986)**	(1,723)
Later than 1 year but not later than 5 years	**(65)**	(2,855)
Total future finance charges	**(3,051)**	(4,578)
Net finance lease liability	**38,164**	40,389
Reconciled to:		
Current liability (note 13)	**30,272**	6,052
Non-current liability (note 13)	**7,892**	34,337
	38,164	40,389

Significant finance lease

The consolidated entity had a finance lease arrangement for the land and building housing its Australian head office. The lease included a facility agreement, head lease and sublease agreements. Under the terms, Computershare had the right to offset payments and receipts related to the facility agreement and the head lease. The financial asset and liabilities related to these agreements were 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.

On 10 June 2016, Computershare entered into a contract to sell the head office land and building. The associated finance lease arrangement was terminated on 4 August 2016 and is classified as a current liability at the reporting date.

2016	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts recognised
Finance lease liability – Facility agreement	23,654	(23,654)	-
Finance lease asset – Head Lease	23,654	(23,654)	-
Finance lease liability – Sublease	23,654	-	23,654
2015			
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

(c) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016 $000	2015 $000
Not later than 1 year	**45,263**	45,790
Later than 1 year but not later than 5 years	**102,627**	112,993
Later than 5 years	**45,395**	25,978
	193,285	184,761

37. CAPITAL EXPENDITURE COMMITMENTS

Less than 1 year:		
Fit-out of premises	**-**	2,143
Purchase of equipment	**502**	795
Other	**794**	343
	1,296	3,281

38. SIGNIFICANT EVENTS AFTER YEAR END

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.

39. RELATED PARTY DISCLOSURES

Key management personnel disclosures are included in note 40. Detailed remuneration disclosures are provided in the remuneration report.

	Shares in the parent entity	
Directors' shareholdings	**2016**	2015
Ordinary shares held at the end of the financial year	**50,147,772**	50,422,326
Net ordinary shares purchased/(sold) by directors during the financial year	**(290,000)**	(2,677,121)

	2016 $	2015 $
Ordinary dividends received during the year in respect of those ordinary shares	**11,709,346**	13,024,460

(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 43)
- Dividends were paid between entities
- Bank guarantees were provided by the parent entity to its controlled entities (note 35)

These transactions were undertaken on commercial terms and conditions.

Ultimate controlling entity

The ultimate controlling entity of the Group is Computershare Limited.

(b) Ownership interests in related parties

Interests in controlled entities are set out in note 29. Interests held in associates and joint ventures are disclosed in notes 31 and 32.

(c) Transactions with associates and joint ventures

The following transactions occurred with associates and joint ventures:

	2016 $	2015 $
Sales and purchases of goods and services		
Sales to	**700,964**	3,115,929
Purchases from	**1,993,643**	1,325,998
Outstanding balances arising from sales and purchases of goods and services		
Trade receivables	**1,199,020**	1,911,494
Trade payables	**72,658**	-
Loans to associates		
Loan receivable from INVeSHARE Inc.	**7,192,730**	1,000,000

These transactions were undertaken on commercial terms and conditions.

40. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

	2016 $	2015 $
Short-term employee benefits	**7,861,927**	8,707,191
Other long-term benefits	**26,406**	101,313
Post-employment benefits	**286,033**	308,842
Share based payments	**1,143,461**	2,320,411
Termination benefits	**-**	428,614
Other	**16,933**	81,334
Total	**9,334,760**	11,947,705

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

41. 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.

Number of employee shares held	**Ordinary shares** 2016	2015
Opening balance	**10,031,383**	10,386,943
Shares purchased on the market	**3,050,756**	3,898,899
Forfeited shares reissued	**23,424**	240,153
Shares forfeited	**(139,873)**	(127,285)
Shares withdrawn	**(2,443,161)**	(4,367,327)
Closing balance	**10,522,529**	10,031,383
Fair value of shares granted through the employee share plan ($000)*	**23,050**	41,694

* 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 $10.31.

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 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 2015	30 Sep 2018	$0.00	-	716,916	-	-	716,916	-
1 Dec 2014	30 Sep 2017	$0.00	579,238	-	-	(14,709)	564,529	-

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

The fair value of performance rights granted under the 2016 LTI plan were assessed using the following parameters:

	2016 Plan – EPS	2016 Plan – TSR
Grant Date	1 Dec 2015	1 Dec 2015
Hurdle start date	1 Jul 2015	1 Jul 2015
Hurdle end date	30 Jun 2018	30 Jun 2018
Share price at grant date	AUD $11.64	AUD $11.64
Fair value at measurement date[i]	AUD $10.72	AUD $5.57
Exercise price	AUD $0.00	AUD $0.00
Expected volatility[ii]	22.81%	22.81%
Option life	3 years	3 years
Expected dividend yield p.a[iii]	2.89%	2.89%
Risk free rate p.a[iv]	2.11%	n/a

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 Aug 2010	30 Sep 2015	$0.00	100,000	-	(50,000)	(50,000)	-	-
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	950,000	-	-	-	950,000	-
Total			**1,950,000**	**-**	**(50,000)**	**(50,000)**	**1,850,000**	-

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

(c) Employee benefits recognised

	2016 $000	2015 $000
Performance rights expense	**416**	1,775
Share plan and options expense	**11,593**	16,258
Aggregate employee entitlement liability (note 21 and 22)	**34,173**	30,069

42. REMUNERATION OF AUDITORS

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:

	2016 $000	2015 $000
Assurance services:		
Auditing or review of financial statements		
› PricewaterhouseCoopers Australia	**704**	843
› Network firms of PricewaterhouseCoopers Australia	**2,691**	3,084
	3,395	3,927
Other assurance services		
› PricewaterhouseCoopers Australia	**317**	372
› Network firms of PricewaterhouseCoopers Australia	**2,139**	2,203
	2,456	2,575
Taxation services		
› Related practices of PricewaterhouseCoopers Australia	**10**	38
	10	38
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	**233**	302

43. 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 2016 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.

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 cost and its carrying value is subsequently adjusted for increases or decreases in the Group'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.

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 acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Income tax

The principles of tax-effect accounting are applied in the financial statements. 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.

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 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 as well as 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, typically 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 the 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 Computershare's LTI plan and DLI plan are recognised as a personnel expense over the vesting period with a corresponding increase in the share based payments reserve. 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 included in the Group's consolidated 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.

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 34 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. Details on how the fair value of financial instruments is determined are disclosed in note 11. 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.

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.

Rounding of amounts

The consolidated entity is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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 2016 reporting period. The Group's assessment of the impact of these new standards and interpretations is presented below.

AASB *9 Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model for financial assets. The standard is applicable for financial years commencing on or after 1 January 2018 and is available for early adoption. The Group does not expect to adopt AASB 9 before its operative date.

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. While the Group is yet to undertake a detailed assessment, it would appear that the Group's current hedge relationships would qualify as continuing hedges upon adoption of AASB 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than incurred credit losses as is the case under AASB 139. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it will likely result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation.

AASB 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 revenue arising from the sale of goods and services and AASB 111 which covers construction contracts. This standard is applicable to financial years commencing on or after 1 January 2018 and is available for early adoption. The Group does not expect to adopt AASB 15 before its operative date.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. While the Group has not yet estimated the effect of the new rules on the Group's financial statements, the consolidated entity is in the process of actively investigating the impact of AASB 15 and has a plan in place to ensure timely implementation.

AASB 16 *Leases*

AASB 16 is a new standard in relation to leases which will primarily affect the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rental. The only exemption relates to short-term and low-value leases. This standard is applicable to financial years commencing on or after 1 January 2019 and is available for early adoption, if AASB 15 has been applied. The Group does not expect to adopt AASB 16 before its operative date.

The changes under AASB 16 will have a significant impact on the Group's accounting for operating lease arrangements. Almost all operating leases will result in recognition of a lease asset and liability. Additionally, operating expense will be replaced with interest and depreciation impacting EBITDA metrics.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 46 to 103 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 2016 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 29 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 33.

Note 43 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.

SD Jones
Chairman

SJ Irving
Director

19 September 2016

DECLARATION TO THE BOARD OF DIRECTORS

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 2016 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 2016:

  (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 2016 and of their performance for the financial year ended on that date.

SJ Irving
Chief Executive Officer

MB Davis
Chief Financial Officer

19 September 2016

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 2016, 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 43, 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 43.

Report on the Remuneration Report

We have audited the remuneration report included in pages 32 to 43 of the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A Linschoten

Anton Linschoten
Partner

Melbourne
19 September 2016

This section contains additional information required by the Australian Securities Exchange Limited 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	37,431,000	6.85%

Class of shares and voting rights

At 9 September 2016 there were 43,022 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 9 September 2016

Size of holding	Ordinary shareholders
1 – 1,000	19,780
1,001 - 5,000	18,730
5,001 - 10,000	2,711
10,001 - 100,000	1,661
100,001 and over	140
Total shareholders	**43,022**

There were 676 shareholders holding less than a marketable parcel of 50 ordinary shares as at 9 September 2016.

Twenty largest shareholders of ordinary shares as at 9 September 2016

	Ordinary shares	
	Number	%
HSBC Custody Nominees (Australia) Limited	126,073,534	23.08
J P Morgan Nominees Australia Limited	83,960,765	15.37
National Nominees Limited	56,611,510	10.36
Mr Chris Morris	37,431,000	6.85
Citicorp Nominees Pty Limited	30,238,387	5.53
Welas Pty Ltd	17,250,000	3.16
Penelope Maclagan	11,902,025	2.18
BNP Paribas Noms Pty Ltd <DRP>	9,783,096	1.79
Computershare Clearing Pty Ltd	7,031,852	1.29
Ms Michele Jean O'Halloran	5,763,218	1.05
Argo Investments Limited	4,901,166	0.90
CPU Share Plans Pty Limited	4,783,275	0.88
Australian Foundation Investment Company Limited	4,660,000	0.85
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	3,415,726	0.63
RBC Global Services Australia Nominees Pty Limited	2,982,581	0.55
UBS Nominees Pty Ltd	1,757,500	0.32
Citicorp Nominees Pty Limited <Colonial First State Inv. A/C>	1,619,305	0.30
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	1,443,309	0.26
IOOF Investment Management Limited <IPS Super A/C>	1,220,789	0.22
AMP Life Limited	968,240	0.18
Total	**413,797,278**	**75.74**

DIRECTORS
Simon David Jones
(Chairman)
Stuart James Irving
(President and Chief Executive Officer)
Tiffany Lee Fuller
Markus Erhard Kerber
Penelope Jane Maclagan
Christopher John Morris
Arthur Leslie Owen
Joseph Mark Velli

COMPANY SECRETARY
Dominic Matthew Horsley

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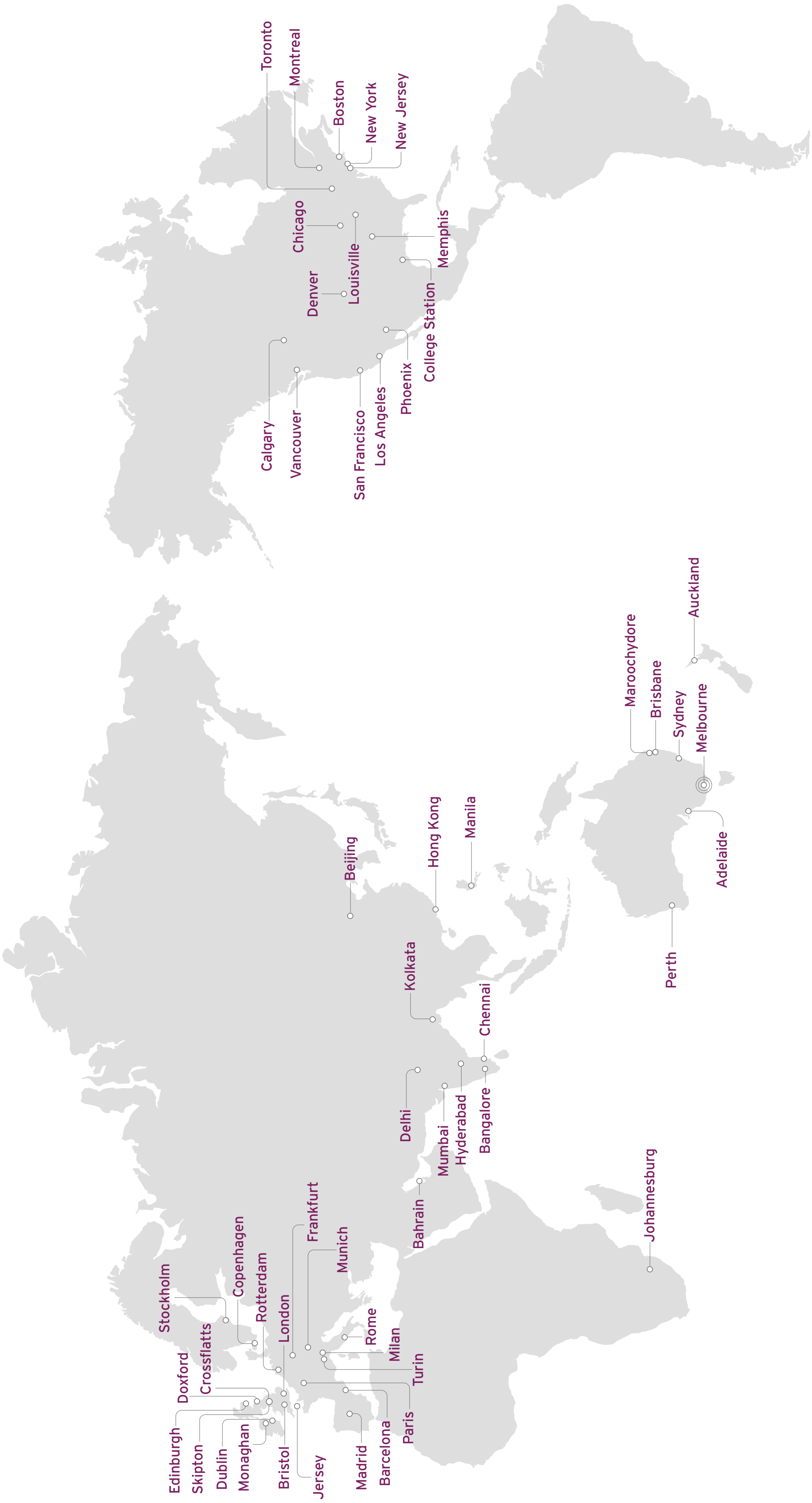
OFFICE LOCATIONS



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The Annual Report
is available online at
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