

Company Registration No. 04621865 (England and Wales)

**ROOFTOP MORTGAGES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**



**ROOFTOP MORTGAGES LIMITED**  
**COMPANY INFORMATION**

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|----------------------------|--|
| <b>Directors</b>           | G Blight<br>W M R Davies<br>S Fitness<br>P C Walker                                |
| <b>Secretary</b>           | Link Group Corporate Secretary Limited   |
| <b>Company number</b>      | 04621865   |
| <b>Registered office</b>   | 6 <sup>th</sup> Floor<br>65 Gresham Street<br>London<br>United Kingdom<br>EC2V 7NQ |
| <b>Independent auditor</b> | KPMG LLP<br>15 Canada Square<br>London<br>E14 5GL                                  |
| <b>Banker</b>              | Barclays Bank PLC<br>1 Churchill Place<br>London<br>E14 5HP                        |

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# **ROOFTOP MORTGAGES LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present the Strategic report, Directors' report and Financial Statements for the year ended 30 June 2019.

#### **Review of the business and future developments**

Rooftop Mortgages Limited (the "Company") is a wholly owned subsidiary (indirectly held) of Link Administration Holdings Limited and operates within the group's Asset Services division.

The principal activity of the Company is the provision of administration services for residential mortgage lenders and holding registered title for previously originated loans by the business and other mortgage lenders. There have not been any significant changes in the Company's principal activities in the year under review. Whilst the UK's impending exit from the EU is imminent, the directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year as a result of Brexit or otherwise. The Company is authorised and regulated by the Financial Conduct Authority.

As shown in the Company's statement of comprehensive income on page 6, the Company's revenue has remained consistent on a pro-rate basis, increasing from £920,218 for the 6-month period to 30 June 2018, to £1,750,990 in the current year to 30 June 2019. An Operating profit of £319,474 was returned over the current year, in comparison to a loss of £187,116 over the 6 month period to June 2018.

The statement of financial position on page 7 of the financial statements shows the Company's financial position at the year end. Net assets have increased from £1,885,858 to £2,070,853. Details of amounts owed by/to its parent Company and fellow subsidiary undertakings are shown in notes 7 and 8 to the financial statements.

#### **KPIs**

Key performance indicators used by the Company are operating margins, cashflow and capital reserves.

#### **Risk Management**

Risk appetite is articulated and managed with the Link Administration Holdings Limited group and the Company through its business plans, its policies including the risk management framework, and its culture. Risk management is implemented via corporate governance processes, risk management and reporting processes (including risk registers and dashboards), project management standards and the roles of the compliance, legal, and group risk and business assurance functions.

At a regulated entity level there is no appetite for material market, credit, liquidity, securitisation, pension, or concentration risk, neither is there any perceived risk of being part of a larger group, named Link Administration Holdings Limited. The business risk profile is considered in aggregate by the Board, as well as divisional and group levels.

The board has determined that the principal risks faced by the Company are market and regulatory risks. Other risks are considered to be low or not material.

To assist the board, which retains ultimate responsibility for risk, to have effective oversight, risk is owned, managed and reported by business managers with the support of the risk management team. Risks are then reported and monitored through the Company's risk management process. Risk reporting is via risk registers and dashboards which are presented to the respective business unit and corporate risk and compliance committees for review and challenge. The registers and dashboards highlight all risks that the businesses believe are relevant and material. Risks are identified and monitored through on-going self-assessment, assessment of external events and past events and losses. The potential financial impact of each risk is quantified.

Mitigating factors and controls are also assessed in order to calculate the residual risk. Risks are given "Red"/ "Amber"/ "Green" status based on the estimated potential residual risk impact on the net profit. Where the residual risk is greater than the business's risk appetite, actions must be undertaken by management to reduce the risk to an acceptable level.

There are also internal and external audit reviews of key controls. Further details of Group risk management strategy and policies are included in the Report and Financial Statements of Link Administration Holdings Limited.

On behalf of the board



**W M R Davies**  
Director  
21 October 2019

**ROOFTOP MORTGAGES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present their Annual report and Financial Statements of Rooftop Mortgages Limited for the year ended 30 June 2019.

**Results and dividends**

The results for the year are set out on page 6.

An interim ordinary dividend of £100,000 was paid during the year (2018: £Nil).

**Directors**

The following directors, have held office since 1 July 2018:

G Blight  
S Fitness  
P C Walker  
W M R Davies

**Disabled persons**

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

**Employee involvement**

The Company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings, newsletters, email notices and intranet communications. These communication initiatives enable employees to share information within and between business units and employees are encouraged, through an open door policy, to discuss with management matters of interest to the employee and subjects affecting day to day operations of the Company.

**Auditor**

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.


**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Qualifying 3rd party indemnity provisions**

The Company has granted an indemnity to the directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

On behalf of the board



W M R Davies  
Director  
21 October 2019

**ROOFTOP MORTGAGES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**ROOFTOP MORTGAGES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOFTOP**  
**MORTGAGES LIMITED**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**Opinion**

We have audited the financial statements of Rooftop Mortgages Limited ("the Company") for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardized firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity and this is particularly the case in relation to Brexit.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

**ROOFTOP MORTGAGES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOFTOP**  
**MORTGAGES LIMITED (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Alison Allen*

Alison Allen (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London, UK  
E14 5GL  
21 October 2019



**ROOFTOP MORTGAGES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

|  | Note | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|--|------|---------------------------------|--|
| Revenue  | 2    | 1,750,990                       | 920,218                                      |
| Cost of sales  |      | <u>(1,244,648)</u>              | <u>(641,595)</u>                             |
| <b>Gross profit</b>  |      | 506,342                         | 278,623                                      |
| Administrative expenses                                      |      | (185,647)                       | (465,739)                                    |
| Other operating expense                                      |      | (1,221)                         | -  |
| <b>Operating profit/(loss)</b>                               | 3    | <u>319,474</u>                  | <u>(187,116)</u>                             |
| Interest receivable and similar income                       | 4    | <u>32,372</u>                   | <u>9,324</u>                                 |
| <b>Profit/(loss) before taxation</b>                         |      | 351,846                         | (177,792)                                    |
| Taxation (charge)/ Taxation credit                           | 5    | (66,851)                        | 33,780                                       |
| <b>Total comprehensive income/(loss) for the year/period</b> |      | <u><u>284,995</u></u>           | <u><u>(144,012)</u></u>                      |

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.


The notes on pages 9 to 16 are an integral part of these financial statements.

**ROOFTOP MORGAGES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

|                             | Note | 30 June<br>2019<br>£ | 30 June<br>2018<br>£ |
|-----------------------------|------|----------------------|----------------------|
| <b>Current assets</b>       |      |                      |                      |
| Trade and other receivables | 7    | 3,014,476            | 3,066,309            |
| Cash and cash equivalents   |      | 21,373               | 9,983                |
|                             |      | <u>3,035,849</u>     | <u>3,076,292</u>     |
| <b>Current liabilities</b>  |      |                      |                      |
| Trade and other payables    | 8    | (964,996)            | (1,190,434)          |
| <b>Net current assets</b>   |      | <u>2,070,853</u>     | <u>1,885,858</u>     |
| <b>Net Assets</b>           |      | <u>2,070,853</u>     | <u>1,885,858</u>     |
| <b>Equity</b>               |      |                      |                      |
| Share capital               | 9    | 1                    | 1                    |
| Share premium account       |      | 100,000              | 100,000              |
| Retained earnings           |      | <u>1,970,852</u>     | <u>1,785,857</u>     |
| <b>Total equity</b>         |      | <u>2,070,853</u>     | <u>1,885,858</u>     |

The notes on pages 9 to 16 are in integral part of these financial statements.

Approved by the Board and authorised for issue on 21 October 2019



W M R Davies  
**Director**

**Company Registration No. 04621865**

**ROOFTOP MORTGAGES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

|   | Share<br>capital | Share<br>premium<br>account | Retained<br>earnings | Total equity |
|---|------------------|-----------------------------|----------------------|--------------|
|   | £                | £                           | £                    | £            |
| At 1 January 2018                       | 1                | 100,000                     | 1,929,869            | 2,029,870    |
| Loss for the period                     | -                | -                           | (144,012)            | (144,012)    |
| Total comprehensive loss for the period | -                | -                           | (144,012)            | (144,012)    |
| At 30 June 2018                         | 1                | 100,000                     | 1,785,857            | 1,885,858    |
| Profit for the year                     | -                | -                           | 284,995              | 284,995      |
| Total comprehensive income for the year | -                | -                           | 284,995              | 284,995      |
| Dividends paid                          | -                | -                           | (100,000)            | (100,000)    |
| At 30 June 2019                         | 1                | 100,000                     | 1,970,852            | 2,070,853    |

The notes on pages 9 to 16 are an integral part of these financial statements.

**ROOFTOP MORTGAGES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**1 Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost basis except where stated otherwise, in accordance with Financial Reporting Standards (FRS 101) *Reduced Disclosure Framework* and in accordance with applicable accounting standards.

Rooftop Mortgages Limited is a Company incorporated in the UK in England and Wales.

**1.2. Going concern**

The Company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**1.3. Compliance with accounting standards**

These financial statements were prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Link Administration Holdings Limited, includes the Company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and can be obtained from Level 12, 680 George Street, Sydney, NSW 2000. In these financial statements, the Company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel and;
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

As the consolidated financial statements of Link Administration Holdings Limited include equivalent disclosures, the Company has also taken the disclosure exemptions under FRS 101 available in respect of disclosing the anticipated effects of adopting new IFRS standards.

**Standards issued but not yet adopted**

The following are new accounting standards or amendments to existing standards and interpretations which are effective for future accounting periods and have not yet been applied in preparing these financial statements. The Company has not taken the option to adopt these standards early and will adopt IFRS 16 on 1<sup>st</sup> July 2019.

**ROOFTOP MORTGAGES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**Accounting policies (continued)**

**IFRS 16 – Leases**

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying leased asset, and a lease liability representing its obligation to make lease payments. IFRS 16 replaces existing guidance including IAS 17 Leases. The standard is effective for accounting periods beginning on or after 1 January 2019. When adopting the standard, the Company does not anticipate any impact on the Statement of Financial Position due to not currently holding any existing operating leases.

**1.4. Changes in accounting policies**

The principal accounting policies adopted by Link Group are consistent with those of the previous financial year.

**1.5. Revenue**

Revenue is recognised when, or as, a performance obligation is satisfied by transferring control of a good or service to a customer. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognised by measuring the Company's progress in satisfying the performance obligation in a manner that reflects the transfer of goods and services to the customer. Revenue from a performance obligation satisfied at a point in time is recognised when the Company has an unconditional right to payment under the terms of the contract. Revenue represents fees charged to mortgage owners pursuant to servicing contracts and for holding registered title for loans previously originated by the business and other mortgage lenders.

**1.6. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

**1.7. Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the

**ROOFTOP MORTGAGES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**Accounting policies (continued)**

deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**1.8. Financial instruments**

The Company recognises a financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. The Company initially recognizes trade and other receivables and payables on the date of transaction.

**Financial assets and liabilities held at amortised cost**

Financial assets held at amortised cost are recognised initially at fair value plus transaction costs directly attributable to the asset. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities held at amortised cost are recognised initially at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

**Derecognition of financial assets and financial liabilities**

***Financial assets***

The Company derecognises a financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement where either:
  - the Company has transferred substantially all the risks and rewards of the asset; or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

***Financial liabilities***

The Company derecognises a financial liability (or, where applicable a part of a financial liability or part of a group of similar financial liabilities) when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of profit and loss and other comprehensive income.

**ROOFTOP MORTGAGES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**Accounting policies (continued)**

**Impairment of financial assets (including trade and other receivables)**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The Company generally recognises loss allowances at an amount equal to 12-month ECL (Stage 1, the portion of ECL that results from default events that are possible within 12 months after the reporting date) unless there has been significant increase in credit risk since origination of the instrument, in which case ECLs are recognised on a lifetime loss basis (Stage 2). Exposures that are in default are regarded as credit impaired (Stage 3) and are also measured on a lifetime ECL basis.

**Measurement of expected credit loss**

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date – the difference between the gross carrying amount and the present value of estimated future cash flows; and
- Financial guarantee contracts – the expected payments to reimburse the holder less any amounts that the Company expects to recover.

**1.9. Pensions**

The Company operates defined contribution pension schemes and contributions are charged to the income statement account in the year in which they are due. These pension schemes are funded, and the payment of contributions is made to separately administered trust funds. The assets of the pension schemes are held separately from the Company.

**1.10. Annual Leave Accrual**

Liabilities relating to accrued employee annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company wholly expects to pay as at the reporting date.

**1.11. Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

**1.12. Group accounts**

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Link Administration Holdings Limited, a Company incorporated in Australia, and is included in the consolidated accounts of the Company.

**1.13. Critical accounting estimates and judgements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

The directors are not aware of any key sources of estimation uncertainty that could result in a material change.

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**2 Revenue**

The total revenue of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

|                       | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|-----------------------|---------------------------------|--|
| Rendering of services | <u>1,750,990</u>                | <u>920,218</u>                               |

**3 Operating profit/(loss)**

The audit fee for the current year is £13,500 (2018: £10,125).

**4 Interest receivable and similar income**

|                                 | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|---------------------------------|---------------------------------|--|
| Interest on inter-company loans | <u>32,372</u>                   | <u>9,324</u>                                 |

**5 Taxation**

|   | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|---|---------------------------------|--|
| <b>Corporation tax</b>                  |                                 |  |
| Current tax charge/(credit)             | 66,851                          | (33,780)                                     |
| Adjustments in respect of prior periods | -                               | -  |
| Total tax charge/(credit)               | <u>66,851</u>                   | <u>(33,780)</u>                              |

The charge for the period can be reconciled to the profit per the income statement as follows:

|   | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|---|---------------------------------|--|
| Profit/(loss) before taxation on continued operations   | <u>351,846</u>                  | <u>(177,792)</u>                             |
| Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%) | <u>66,851</u>                   | <u>(33,780)</u>                              |
| Total tax charge/(credit) for the period  | <u>66,851</u>                   | <u>(33,780)</u>                              |

The UK corporation tax rate will decrease from 19% to 17% from 1 April 2020.



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**6 Dividends Paid**

|                        | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|------------------------|---------------------------------|--|
| Ordinary Shares        |                                 |  |
| Interim dividends paid | <u>100,000</u>                  | <u>-</u>                                     |

**7 Trade and other receivables**

|   | 30 June<br>2019<br>£ | 30 June<br>2018<br>£ |
|---|----------------------|----------------------|
| Trade and other receivables                               | -                    | 164,035              |
| Corporation Tax recoverable                               | -                    | 33,780               |
| Other Receivables   | 33,642               | -                    |
| Amount due from parent and fellow subsidiary undertakings | 2,823,913            | 2,693,830            |
| Prepayments and accrued income                            | <u>156,921</u>       | <u>174,664</u>       |
|   | <u>3,014,476</u>     | <u>3,066,309</u>     |

The above amounts owed by parent and fellow subsidiary undertakings are receivable on demand.

**8 Trade and other payables**

|   | 30 June<br>2019<br>£ | 30 June<br>2018<br>£ |
|---|----------------------|----------------------|
| Trade Payables  | 22,585               | -                    |
| Amount due to parent and fellow subsidiary undertakings | 752,257              | 849,375              |
| Corporation Tax   | 33,071               | -                    |
| Other taxes and social security                         | 14,004               | 93,130               |
| Other Payables  | 878                  | -                    |
| Accruals and deferred income                            | <u>142,201</u>       | <u>247,929</u>       |
|   | <u>964,996</u>       | <u>1,190,434</u>     |

The above amount owed by parent and fellow subsidiary undertakings are repayable on demand.

**9 Share capital**

|                              | 30 June<br>2019<br>£ | 30 June<br>2018<br>£ |
|------------------------------|----------------------|----------------------|
| Ordinary share capital       |                      |                      |
| Issued and fully paid        |                      |                      |
| 1 ordinary shares of £1 each | <u>1</u>             | <u>1</u>             |

The nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

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**10 Pensions and other post-retirement benefit commitments**

The Company offers a defined contribution pension scheme. Contributions in respect of this scheme payable by the Company during the period amounted to £3,659 (2018: £942).

**11 Employees**

The average monthly number of employees (excluding non-executive directors) was:

|       | Year ended 30<br>June 2019<br>Number | 6 month period<br>ended 30 June<br>2018<br>Number |
|-------|--------------------------------------|---|
| Total | <u>2</u>                             | <u>2</u>  |

Their aggregate remuneration comprised:

| Employment costs      | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|-----------------------|---------------------------------|--|
| Wages and salaries    | 160,222                         | 75,065                                       |
| Social security costs | 17,398                          | 7,893  |
| Pension costs         | <u>3,659</u>                    | <u>942</u>                                   |
|                       | <u>181,279</u>                  | <u>83,900</u>                                |

**12 Directors Remuneration**

None of the directors were paid remuneration directly by the Company, all being remunerated by a fellow group undertaking. For the current period the amount of directors' remuneration that can be allocated to the Company to cover time spent by the directors on the affairs of the Company is as follows:

|   | Year ended 30<br>June 2019<br>£ | 6 month period<br>ended 30 June<br>2018<br>£ |
|---|---------------------------------|--|
| Remuneration for qualifying services                          | 90,373                          | 142,242                                      |
| Company pension contributions to defined contribution schemes | <u>2,839</u>                    | <u>3,475</u>                                 |
| Total   | <u>93,212</u>                   | <u>145,717</u>                               |

The number of directors for whom retirement benefits are accrued under defined contribution schemes of a fellow group undertaking amounted to 2 (2018:4).

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**13 Ultimate controlling party**

The Company's immediate parent undertaking is Link Asset Services (Holdings) Limited, by virtue of its 100% shareholding, a Company incorporated in England and Wales.

The smallest and largest group to consolidate these financial statements is Link Administration Holdings Limited. The accounts of Link Administration Holdings Limited are available from the registered office at Level 12, 680 George Street, Sydney, NSW 2000.

The Company's ultimate parent undertaking is Link Administration Holdings Limited, a Company incorporated in Australia.

**14 Subsequent events**

There have not been any events subsequent to the reporting date that require disclosure.