

Company Registration No. 04621865 (England and Wales)

ROOFTOP MORTGAGES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



ROOFTOP MORTGAGES LIMITED

COMPANY INFORMATION

Directors	G Blight S Fitness W M Davies P C Walker
Secretary	Link Group Corporate Secretary Limited
Company number	04621865
Registered office	6 th Floor 65 Gresham Street London United Kingdom EC2V 7NQ
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitor	Herbert Smith Freehills Exchange House Primrose Street London EC2A 2HS

ROOFTOP MORTGAGES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2-3
Independent auditor's report to the members of Rooftop Mortgages Limited	4-5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9-14

ROOFTOP MORTGAGES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report and financial statements for the year ended 31 December 2017.

Review of the business

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

On 3 November 2017, the ultimate controlling party of the Company changed to Link Administration Holdings Limited ("Link") as Link successfully completed the acquisition of Capita Asset Services from Capita plc.

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. 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. 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 turnover is £2,059,849 and operating profit is £501,374 (2016: £1,953,866).

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets are £2,029,870 (2016: £1,663,094). Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 6 and 7 to the financial statements.

Key performance indicators used by Link Administration Holdings Limited are operating margins, free cash flow, capital expenditure and return on capital employed. Link Administration Holdings Limited and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Asset Services division of Link Administration Holdings Limited is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



W M Davies
Director

25 April 2018

ROOFTOP MORTGAGES LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their annual report and financial statements for the year ended 31 December 2017.

Results and dividends

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

A final ordinary dividend of £134,845 (2016: £754,253) was paid during the year.

Directors

The following directors, have held office since 1 January 2017:

G Blight
S Fitness
W M Davies
P C Walker

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. The group's share incentive plan is designed to promote employee share ownership and to give employees the opportunity to participate in the future success of the group.

Remuneration code

The company has policies and practices for staff whose professional activities have a material impact on the firm's risk profile (Code Staff), further details of this can be found on the company's website (<http://www.linkassetsservices.com/services/regulatory-disclosures>).

Auditors

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.

Directors responsibilities

The directors are responsible for preparing the Strategic Report, 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.

ROOFTOP MORTGAGES LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

Statement of disclosure to auditors

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 Davies
Director

25 April 2018

ROOFTOP MORTGAGES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOFTOP MORTGAGES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Rooftop Mortgages Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 31 December 2017 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and directors' report. Our opinion on the financial statements does not cover those reports and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 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.

ROOFTOP MORTGAGES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOFTOP MORTGAGES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, 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.

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
E14 5GL
25 April 2018

ROOFTOP MORTGAGES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Revenue	2	2,059,849	3,734,626
Cost of sales		<u>(1,492,090)</u>	<u>(1,767,969)</u>
Gross profit		567,759	1,966,657
Administrative expenses		(66,385)	(12,791)
Operating profit	3	<u>501,374</u>	<u>1,953,866</u>
Interest received	4	<u>247</u>	<u>-</u>
Profit before taxation		501,621	1,953,866
Taxation	5	-	(390,773)
Profit and total comprehensive income for the year		<u><u>501,621</u></u>	<u><u>1,563,093</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 14 are an integral part of these financial statements.

ROOFTOP MORGAGES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Trade and other receivables	7	2,734,690	2,265,632
Cash and cash equivalents		98,236	2,159,827
		<u>2,832,926</u>	<u>4,425,459</u>
Trade and other payables	8	<u>(803,056)</u>	<u>(2,762,365)</u>
Net current assets		<u>2,029,870</u>	<u>1,663,094</u>
Total assets less current liabilities		<u>2,029,870</u>	<u>1,663,094</u>
		<u>2,029,870</u>	<u>1,663,094</u>
Equity			
Share capital	10	1	1
Share premium account		100,000	100,000
Retained earnings		<u>1,929,869</u>	<u>1,563,093</u>
Total equity		<u>2,029,870</u>	<u>1,663,094</u>

The notes on pages 9 to 14 are in integral part of these financial statements.

Approved by the Board and authorised for issue on 25 April 2018.


W M Davies
Director

Company Registration No. 04621865

ROOFTOP MORTGAGES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 January 2016	1	-	754,253	754,254
Profit for the year	-	-	1,563,093	1,563,093
Total comprehensive income for the year	-	-	1,563,093	1,563,093
Issue of share capital	-	100,000	-	100,000
Dividends	-	-	(754,253)	(754,253)
At 31 December 2016	1	100,000	1,563,093	1,663,094
Profit for the year	-	-	501,621	501,621
Total comprehensive income for the year	-	-	501,621	501,621
Dividends	-	-	(134,845)	(134,845)
At 31 December 2017	1	100,000	1,929,869	2,029,870

The notes on pages 9 to 14 are in integral part of these financial statements.

ROOFTOP MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost basis except where stated otherwise.

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 may 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 transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Link Market Services (EMEA) Limited include equivalent disclosures, the company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company, in the current and prior periods including the comparative period reconciliation for goodwill;
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

ROOFTOP MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (continued)

1.4 Revenue

Revenue is recognised on an accruals basis and 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.

1.5 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. Bank overdrafts are shown within current liabilities.

1.6 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 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.

ROOFTOP MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (continued)

1.7 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.

The company remits monthly pension contributions to Capita Business Services Limited, an outsourced provider of Link Administration Holdings Limited, which pays the group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that company.

1.8 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 Market Services (EMEA) Limited, a Company incorporated in United Kingdom, and is included in the consolidated accounts of the company.

2 Revenue

The total revenue of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. The total revenue of £2,059,849 (2016: £3,734,626) all relates to the rendering of services.

3 Operating profit

The audit fee for the current period is £13,500 which is borne by a fellow subsidiary Company. In 2016 the audit fees were borne by the former ultimate parent undertaking, which was for £1,000. The company has taken advantage of the exemption provided by regulations 6(2) (b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

4 Investment revenues

	2017 £	2016 £
Bank interest	247	-

5 Taxation

	2017 £	2016 £
Corporation tax		
Current tax	-	390,773
Total tax charge	-	390,773

ROOFTOP MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5 Taxation (continued)

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

	2017 £	2016 £
Profit before taxation on continued operations	501,621	1,953,866
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016: 20 %)	96,562	390,773
Group relief losses claimed from other group undertakings	(96,562)	-
Total tax charge for the year	-	390,773

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020.

6 Dividends

	2017 £	2016 £
Final dividend paid	134,845	754,253

7 Trade and other receivables

	2017 £	2016 £
Trade and other receivables	396,913	95,230
Amount due from parent and fellow subsidiary undertakings	2,166,257	2,000,000
Prepayments and accrued income	171,520	170,402
	2,343,917	2,265,632

Included in trade and other receivables is an amount due from its previous ultimate controlling party, Capita plc for £390,773. The above amounts owed by parent and fellow subsidiary undertakings arise from trade and are repayable on demand.

8 Trade and other payables

	2017 £	2016 £
Amount due to parent and fellow subsidiary undertakings	589,775	1,554,170
Corporation tax	-	390,773
Other taxes and social security	22,983	597,026
Accrued and deferred income	190,298	220,396
	803,056	2,762,365

ROOFTOP MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9 Pensions and other post-retirement benefit commitments

The total cost charged to income in respect of defined contribution plans is £991 (2016: £850).

10 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

Share capital

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

11 Employees

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

	2017 Number	2016 Number
Operations	<u>4</u>	<u>1</u>

Their aggregate remuneration comprised:

Employment costs	2017 £	2016 £
Wages and salaries	128,166	38,963
Social security costs	14,110	4,224
Pension costs	1,040	850
	<u>143,316</u>	<u>44,037</u>

The directors' remuneration was borne by the ultimate parent company. As no significant time was spent by the directors on the company's affairs, no directors' remuneration has been allocated to the company.

ROOFTOP MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

12 Ultimate controlling party

The immediate parent company is Link Asset Services (Holdings) Limited, by virtue of its 100% shareholding, a company incorporated in England & Wales. The registered office is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

The smallest group to consolidate these financial statements is Link Market Services (EMEA) Limited. The accounts of Link Market Services (EMEA) Limited are available from the registered office at 6th Floor 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

The company's ultimate parent is Link Administrations Holdings Limited. The financial statements of Link Administrations Holdings Limited are available from the registered office at Level 12, 680 George Street, Sydney, NSW 2000.