

Company Registration No. 04621865 (England and Wales)

ROOFTOP MORTGAGES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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ROOFTOP MORTGAGES LIMITED

COMPANY INFORMATION

Directors	G Blight W M R 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

ROOFTOP MORTGAGES LIMITED

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ROOFTOP MORTGAGES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors present the Strategic report, Directors' report and Financial Statements for the year ended 30 June 2021.

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 Banking and Credit Management 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. 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.

Despite the uncertainty reported last year concerning the potential impact of Brexit and the outbreak of the global Covid-19 pandemic in January 2020, the business was not adversely impacted, and financial performance remained as expected. The Company continues to monitor developments and will adjust its operating model as required to meet changing conditions and circumstances. The Company continues as a going concern, as detailed in section 1.2.

As shown in the Company's statement of comprehensive income on page 9, the Company's revenue has decreased from £1,761,741 for the year ended 30 June 2020, to £1,726,972 in the current year. An operating profit of £454,096 was returned over the current year, in comparison to an operating profit of £274,108 over the year ended 30 June 2020.

The statement of financial position on page 10 of the financial statements shows the Company's financial position at the year end. Net assets have increased from £672,248 to £1,118,457. 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 in conjunction with the approach taken by 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, namely 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.

ROOFTOP MORTGAGES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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.

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

A handwritten signature in black ink, appearing to be 'W M R Davies', written over a horizontal line.

W M R Davies
Director
14 October 2021

ROOFTOP MORTGAGES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their Annual report and Financial Statements of Rooftop Mortgages Limited for the year ended 30 June 2021.

Results and dividends

The results for the year are set out on page 9.

During the period, no dividend was declared (2020: £1,500,000).

Directors

The following Directors, have held office since 1 July 2020:

G Blight
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
14 October 2021

6th Floor, 65 Gresham Street, London, United Kingdom, EC2V 7NQ

ROOFTOP MORTGAGES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2021

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROOFTOP MORTGAGES LIMITED
FOR THE YEAR ENDED 30 JUNE 2021**

Opinion

We have audited the financial statements of Rooftop Mortgages Limited ("the company") for the year ended 30 June 2021 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 2021 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

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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROOFTOP MORTGAGES LIMITED
FOR THE YEAR ENDED 30 JUNE 2021**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROOFTOP MORTGAGES LIMITED
FOR THE YEAR ENDED 30 JUNE 2021**

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.

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 4, 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

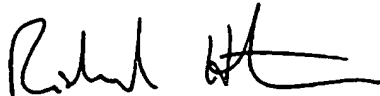
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROOFTOP MORTGAGES LIMITED
FOR THE YEAR ENDED 30 JUNE 2021**

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.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
15 October 2021

ROOFTOP MORTGAGES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Revenue	2	1,726,972	1,761,741
Cost of sales		<u>(1,137,533)</u>	<u>(1,326,023)</u>
Gross profit		589,439	435,718
Administrative expenses		(135,467)	(162,831)
Other operating income		124	1,221
Operating profit	3	<u>454,096</u>	<u>274,108</u>
Interest receivable and similar income	4	<u>96,658</u>	<u>62,039</u>
Profit before taxation		550,754	336,147
Taxation charge	5	<u>(104,545)</u>	<u>(234,752)</u>
Total comprehensive income for the year		<u><u>446,209</u></u>	<u><u>101,395</u></u>

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

The notes on pages 12 to 20 are an integral part of these financial statements.

ROOFTOP MORTGAGES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		30 June 2021	30 June 2020
	Note	£	£
Non-current assets			
Deferred tax assets		1,046	-
		<u>1,046</u>	<u>-</u>
Current assets			
Trade and other receivables	7	1,546,475	1,192,222
Cash and cash equivalents		13,151	47,630
		<u>1,559,626</u>	<u>1,239,852</u>
Current liabilities			
Trade and other payables	8	(407,979)	(567,604)
		<u>1,151,647</u>	<u>672,248</u>
Net current assets		<u>1,151,647</u>	<u>672,248</u>
Total assets less current liabilities		<u>1,152,693</u>	<u>672,248</u>
Non-current liabilities			
Trade and other payables	8	(34,236)	-
		<u>1,118,457</u>	<u>672,248</u>
Net Assets		<u>1,118,457</u>	<u>672,248</u>
Equity			
Share capital	9	1	1
Share premium account		100,000	100,000
Retained earnings		1,018,456	572,247
		<u>1,118,457</u>	<u>672,248</u>
Total equity		<u>1,118,457</u>	<u>672,248</u>

The notes on pages 12 to 20 are in integral part of these financial statements.

Approved by the Board and authorised for issue on 14 October 2021



W.M.R. Davies
Director

Company Registration No. 04621865

ROOFTOP MORTGAGES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 30 June 2019	1	100,000	1,970,852	2,070,853
Profit for the year	-	-	101,395	101,395
Total comprehensive income for the year	-	-	101,395	101,395
Dividends paid	-	-	(1,500,000)	(1,500,000)
At 30 June 2020	1	100,000	572,247	672,248
Profit for the year	-	-	446,209	446,209
Total comprehensive income for the year	-	-	446,209	446,209
Contribution in respect of share-based payment charge	-	-	4,421	4,421
Settlement of share-based payment charge by intercompany	-	-	(4,421)	(4,421)
At 30 June 2021	1	100,000	1,018,456	1,118,457

The notes on pages 12 to 20 are an integral part of these financial statements.

ROOFTOP MORTGAGES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. After making enquiries the Directors believe that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Key aspects include:

- a cash flow forecast analysis covering at least 12 months from the date of signing the financial statements, with sensitivity analysis modelling a downturn in activity;
- the Company having access to liquidity through the Group's treasury arrangements as of the date of signing of these financial statements;
- assurances over the financial position, performance and liquidity position of the ultimate parent up to the date of signing of these financial statements and have assessed that the ultimate parent remains a going concern; and
- the group external debt facilities to which the Company is a guarantor and noted compliance with required covenants.

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 Accounting Standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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;
- Disclosures in respect of capital management;
- Related party transactions with two or more wholly owned members of the Group; and
- Disclosures in respect of the compensation of key management personnel

In addition, 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:

- Disclosures required by IFRS 7 Financial Instrument Disclosures.

1.4. Changes in accounting policies

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

ROOFTOP MORTGAGES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Accounting policies (continued)

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 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 30 JUNE 2021

Accounting policies (continued)

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.

Impairment of financial assets (including trade and other receivables)

The Company recognises loss allowances for 'expected credit losses' (ECL) on financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company generally recognises loss allowances at an amount equal to 12-month ECL, unless there has been significant increase in credit risk, or exposures are in default, in which case ECLs are recognised on a lifetime loss basis. The Company also continues to recognise all outstanding trade receivables over 180 days past due as impaired unless specific circumstances confirm future recoverability.

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.

ROOFTOP MORTGAGES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Accounting policies (continued)

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. Share-based payments

The Company participates in the Omnibus Equity Plan (OEP) long-term incentive scheme where share awards are granted at no cost to the recipient and entitle them to Performance Share Rights (PSRs) which, subject to the satisfaction of service-based conditions and performance hurdles, will, if vested, allow participants to receive fully paid ordinary shares in the Link Group. Fair value of the OEP was determined at grant date based upon an independent valuation. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met.

On 1 December 2020, the Board, at its discretion, offered restricted shares (RSs) or share rights (SRs) under the Omnibus equity plan (OEP) as compensation to employees who participated in the voluntary temporary pay reduction. The restricted shares or share rights entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a one- or two-year service period.

In accordance with IFRS 2, PSRs of Link Administration Holdings' (ultimate parent company) equity instruments in respect of settling grants to employees of the Company are disclosed as a charge to the profit and loss account and a credit to equity. The Company's policy is to reimburse its ultimate parent company through the intercompany account for charges that are made to it. The credit to equity has been eliminated and replaced with a credit to intercompany which better reflects the underlying nature of the transaction.

1.12. 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.

1.13. 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.

1.14. 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 key sources of estimation uncertainty that could result in a material change are:

- Judgement is required in determining the fair value of PSRs, which was determined at grant date based upon an independent valuation. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met

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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 June 2021 £	Year ended 30 June 2020 £
Rendering of services	<u>1,726,972</u>	<u>1,761,741</u>

Revenue from contracts with customers

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Contract liabilities	<u>62,569</u>	<u>-</u>

Contract liabilities:

For some contracts, the Company performs set up activities for on-boarding new clients. This revenue is amortised on a straight line basis over a period consistent with the transfer of the services to the client.

Movement in period relates to new contracts won in period and annual amortisation as follows:

	Contract liabilities £
Balance at 1 July 2020	-
Additions	85,000
Released to the statement of comprehensive income	<u>(22,431)</u>
Balance at 30 June 2021	62,569

Contract liabilities are included within "Trade and other payables" on the face of the balance sheet.

3 Operating profit

Operating profit is stated after net foreign exchange gains of £124 (2020: £1,221).

The audit fee for the current year is £19,442 (2020: £14,513).

4 Interest receivable and similar income

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Interest on inter-company receivables	<u>96,658</u>	<u>62,039</u>

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5 Taxation

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Corporation tax		
Current tax charge	105,599	63,868
Adjustments in respect of prior periods	(7)	170,884
	<u>105,592</u>	<u>234,752</u>
Deferred tax		
Origination and reversal of temporary differences	(956)	-
Adjustments in respect of prior period	(69)	-
Impact of tax rate change	(22)	-
	<u>(1,047)</u>	<u>-</u>
Total tax charge	<u>104,545</u>	<u>234,752</u>

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

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Profit before taxation on continued operations	<u>550,754</u>	<u>336,147</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	104,643	63,868
Adjustments in respect of current income tax of prior years	(7)	170,884
Adjustments in respect of deferred tax of prior years	(69)	-
Impact of changes in statutory tax rates	(22)	-
	<u>(98)</u>	<u>170,884</u>
Total tax charge for the year	<u>104,545</u>	<u>234,752</u>

In the Spring Budget 2021, the Government announced that the UK tax rate will increase to 25% from 1 April 2023. This rate change was enacted on 10 June 2021. Any deferred tax balances have been updated to reflect this change.

6 Dividends Paid

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Ordinary Shares		
Interim dividends paid	<u>-</u>	<u>1,500,000</u>

ROOFTOP MORTGAGES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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7 Trade and other receivables

	30 June 2021	30 June 2020
	£	£
Trade and other receivables	26,141	19,365
Amount due from parent and fellow subsidiary undertakings	1,377,273	983,091
Prepayments and accrued income	143,061	189,766
	<u>1,546,475</u>	<u>1,192,222</u>

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

8 Trade and other payables

	30 June 2021	30 June 2020
	£	£
Amount due to parent and fellow subsidiary undertakings	139,843	299,959
Corporation tax	105,599	63,868
Other taxes and social security	29,989	50,034
Other payables	1,417	909
Accruals and deferred income	102,798	152,834
Contract liabilities	28,333	-
	<u>407,979</u>	<u>567,604</u>
Non-current payables:		
Contract liabilities	<u>34,236</u>	<u>-</u>

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

9 Share capital

	30 June 2021	30 June 2020
	£	£
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

	30 June 2021 £	30 June 2020 £
The Company offers defined contribution pension schemes		
Contributions in respect of defined contribution schemes payable by the Company during the period amounted to:	4,487	5,013
Any unpaid pension contributions at the year end have been accrued in the accounts of the Company to the value of:	1,469	787

11 Employees

The average monthly number of employees was:

	Year ended 30 June 2021 Number	Year ended 30 June 2020 Number
Total	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Employment costs		
Wages and salaries	126,033	166,213
Social security costs	13,997	16,946
Pension costs	4,487	5,013
	<u>144,517</u>	<u>188,172</u>

12 Directors Remuneration

The Directors' were paid remuneration directly by the company. 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 June 2020 £	Year ended 30 June 2019 £
Remuneration for qualifying services	46,360	45,054
Company pension contributions to defined contribution schemes	1,077	1,250
Total	<u>47,737</u>	<u>46,304</u>

The number of Directors for whom retirement benefits are accrued under defined contribution schemes of a fellow group undertaking amounted to 3 (2020:4).

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13 Share-based payments

Certain employees dedicated to the Company's business participate in long-term incentive (LTI) plans which issue shares in The Link Group.

The Omnibus Equity Plan (OEP)

The Omnibus equity plan (OEP) entitles employees to receive restricted shares (RSs) or share rights (SRs) which, subject to the satisfaction of service-based conditions, will if vested, allow participants to receive fully paid ordinary shares in the Company.

Special Equity Grant (SEG)

On 1 December 2020, the Board, at its discretion, offered restricted shares (RSs) or share rights (SRs) under the Omnibus equity plan (OEP) as compensation to employees who participated in the voluntary temporary pay reduction. The restricted shares or share rights entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a one or two year service period.

Special Equity Grant	Year ended 30 June 2021 Number of awards	Year ended 30 June 2020 Number of awards
Balance outstanding at 1 st July	-	-
Awarded during the year	2,729	-
Lapsed/vested during the year	-	-
Forfeited/cancelled during the year	-	-
	<hr/>	<hr/>
Balance outstanding at 30 th June	<u>2,729</u>	<u>-</u>

During 2021, £4,421 was charged to the statement of profit and loss account in respect of the PSRs (2020: £nil). As at 30 June 2021, £5,480 (2020: £nil) of total unrecognised compensation costs related to non-vested OEP is expected to be recognised over the weighted average period of approximately 0.42 years (2020: nil years). The total carrying value of the intercompany liability with Link Administration Holdings as at 30 June 2021 is £4,314 (2020: £nil).

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 are no events subsequent to the balance sheet date and preceding the signing of these financial statements which require disclosure.