

Registered number: 05946900

**TOPAZ FINANCE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

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COMPANIES HOUSE

**TOPAZ FINANCE LIMITED**

**COMPANY INFORMATION**

**Directors**

A Jones  
P Ali (appointed 15 July 2019)  
R Banks  
T Franklin  
N Oldfield (appointed 15 July 2019)

**Company secretary**

J Dolbear

**Registered number**

05946900

**Registered office**

The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

**TOPAZ FINANCE LIMITED**

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## **TOPAZ FINANCE LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020**

#### **Introduction**

Topaz Finance Limited ("Topaz") is a leading provider of legal title and associated mortgage services to the financial services industry. The business currently operates from Skipton, Crossflatts, Doxford and Derry. Following a review of future property requirements a decision was made, after the year end, to consolidate the two Yorkshire sites into Crossflatts and vacate Skipton. Topaz is recharged for occupancy of the sites by other Computershare Group companies.

Topaz forms part of the Loan Services division within the Computershare Group – Computershare Loan Services ("CLS"). CLS is the market leader in the UK third party mortgage administration services market, with more than 30 years' experience of working with some of the world's largest financial institutions.

#### **Business review**

The directors of Topaz are pleased to report an increase in profitability from an operating profit of £3,293 thousand for the year ended 30 June 2019 to an operating profit of £5,453 thousand for the year ended 30 June 2020. The improved financial performance reflects the increase in Assets Under Management to £17.7bn compared to £11.0bn as at 30 June 2019. Topaz has successfully secured new contracts with Rosolite Mortgages Limited, Siberite Mortgages Limited and Chester during the year, with revenue increasing from £24,465 thousand in the prior year to £37,318 thousand.

The year to 30 June 2020 saw some key developments in the market, these included:

- The impact of the COVID-19 pandemic on the mortgage market with lower origination volumes.
- Challenger banks continuing to struggle to build market share, with some exiting the market.
- On-going asset sales in the Irish market creating opportunities for future growth.

Total costs have increased by 50% to support the company growth as outlined above, with Assets Under Management increasing by 61% during the year. Topaz's management team has sought to drive costs down in key areas despite the significant growth. This has been achieved as part of the CLS UK Cost Out programme with integration of key functions with other companies within the CLS division as well as achieving synergies due to its position within the Computershare Group.

Topaz continues to grow organically as well as winning a number of legal title opportunities from clients as part of the transfer of assets onto the mortgage administration platform owned by CLS as part of the overall integration programme as outlined above.

## **TOPAZ FINANCE LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

#### **Principal risks and uncertainties**

##### **Regulatory environment**

The regulatory environment in which Topaz operates continues to be challenging but Topaz considers that this provides an opportunity for Topaz to cement its reputation amongst the industry leaders on regulatory matters.

##### **Market conditions**

The FCA reported that the value of gross mortgage advances in the 9 months to 31 March 2020 was 1% higher than the comparable prior year period. In the quarter ending 30 June 2020 COVID-19 negatively impacted the market with gross mortgage advances falling by 33% compared to the comparable prior year period. The Company considers that despite the uncertainty regarding Brexit and its final manifestation there are no material direct financial impacts due to the composition of its suppliers, cost base and client revenue streams. The potential indirect impacts of a hard Brexit such as a downturn in the economic climate are mitigated by the natural hedging within the business due to the differing revenue streams and the ongoing cost reduction programme that is underway within the business.

Despite this the Company is monitoring developments in relation to the Brexit negotiations and will review any final implications or guidance on the future trading relations with its clients and suppliers as these become available.

##### **Operational risk and operational losses**

The primary risk type that Topaz is exposed to is Operational Risk and as part of its robust risk management framework, Topaz has controls and processes in place to manage operational risk.

Provisions are made for specific operational loss cases as and when the necessary criteria are met (in accordance with IAS 37). Details of the Operational Losses provision can be found in note 16.

##### **Credit risk**

The Company is exposed to credit risk, to the extent that counterparties will be unable to pay amounts in full when they fall due and makes provision for Impairment as set out in note 2.7.

Management carefully manages its exposure to credit risk through close client relationships and regular account monitoring. The carrying amount of financial assets net of impairment represents the maximum credit exposure.

As part of its origination offering, at no point in a mortgages lifespan is the Company exposed to any mortgage underwriting credit risk.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company at all times maintains adequate cash facilities in order to meet all its commitments as and when they fall due. The directors believe they have minimal exposure to liquidity risk.

##### **Foreign currency risk**

The Company is not exposed to foreign exchange risk.

## **TOPAZ FINANCE LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

#### **Brexit**

On 31 January 2020 the UK left the European Union ("EU") and there is now a transition period until the end of 2020 while the UK and EU negotiate additional arrangements. While the current rules on trade, travel, and business for the UK and EU will continue to apply during the transition period there remains uncertainty over the UK's future relationship with the EU. The Computershare Group operates in many jurisdictions including in the UK, EU and elsewhere, so the Group is well placed to be able to adapt to changes imposed.

#### **COVID-19**

Computershare Limited, the ultimate controlling party, has published financial results for the year ended 30 June 2020, including a COVID-19 update. Trading results were in line with revised market guidance. Over 90% of the Topaz workforce moved to working from home, deploying technology and security protocols to ensure no interruption of services to clients.

Further details may be found at Computershare's web site [www.computershare.com](http://www.computershare.com).

The Company earns revenue through the provision of legal title and associated mortgages services. Despite the impact of COVID-19 on the wider economy the company has not been materially impacted financially.

The directors of the company take operational resilience seriously and are doing everything possible to ensure the safety of staff and others in line with health and safety guidance as well as preventing any material effect on our services. We remain focused on strengthening our core business lines and working to continue to deliver great outcomes for customers in what are extremely challenging conditions.

#### **Financial performance**

The results for the year ended 30 June 2020 are shown in the Statement of Comprehensive Income on page 13, and the notes thereto. Topaz made an operating profit of £5,453 thousand (2019: profit £3,293 thousand) for the year ended 30 June 2020.

The improved financial performance reflects the increase in Assets under Management to £17.7bn compared to £11.0bn as at 30 June 2019.

The balance sheet position shows eligible capital at 30 June 2020 is in excess of the regulatory minimum at 292% (2019: 324%) and cash at £2,651 thousand (2019: £11,140 thousand).

## TOPAZ FINANCE LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

#### Financial key performance indicators

The following KPIs are used by management to monitor the growth and general financial performance of the business.

	2020	2019
Assets under management (year end)	£17.7bn	£11.0bn
Profit for the financial year	£5,465k	£3,300k
Operating profit	£5,453k	£3,293k

#### Directors' statement of compliance with duty to promote the success of the company

Under Section 172 (1) of the Companies Act 2006, a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The following paragraphs summarise how the directors fulfil their duties:

(a) The Company is wholly owned by Computershare Investments (UK) No.3 Limited and the ultimate parent undertaking is Computershare Limited, a company incorporated in Australia. As such the directors always operates to the standards set by the Computershare Group ('Group') of which it is a member. Any decision taken will be aligned to the strategy of the wider Group and is made in the best interests of all stakeholders. Impacts of any decisions will be determined through ongoing risk assessment conducted with all relevant stakeholders. The Company strategy is regularly reviewed by the Board, is aligned to the key priorities set by Group and is presented to and agreed by Group. The Board has delegated responsibility for the day to day management and administration of the business to the CLS Chief Executive Officer who manages the companies in accordance with the strategy, plans and policies approved by the Board. The Chief Executive Officer chairs weekly Executive Leadership Team meetings where decisions are aligned to the approved Board strategy.

(b) The directors are committed to driving a responsible business. Our behaviour is aligned to our people, clients, investors, communities and society as a whole. Our commitment to our people is aligned to the People disclosures in the Computershare Group Annual Report. We recognise that success is driven by the quality and capabilities of our people and that looking after employees is in the best interests of all stakeholders. The directors undertake regular staff surveys and management build action plans based on the feedback which are reviewed by the Executive Leadership Team, encouraging employee participation. The latest Pulse (staff) survey saw an increase in scores despite the ongoing business restructure and the impact of COVID-19.

(c) The directors recognise the importance of building strong relationships with suppliers and customers and actively engages with representatives of contracting parties to ascertain their views and take them into account. The Company operates a Supplier Relationship Forum, leverages the wider Computershare Group procurement activity and has dedicated Client Relationships Managers. We also foster strong relationships and have regular contact with the FCA and other regulators.

(d) The directors recognise the importance of social and environmental activities and seek to manage them responsibly. We work closely to support our local community and have supported a number of initiatives and good causes during the year. Our approach to Corporate Responsibility is aligned to the disclosures in the Computershare Group Annual Report. The Company donated to the Trussell Trust, a charity that supports a network of 1,200 food banks centres across the UK.

**TOPAZ FINANCE LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

(e) The Board operates a Computershare Loan Services Governance Framework which sets out the Board governance arrangements. The Board discharges its responsibilities through the following Committees of the Board:

- CLS Audit and Compliance Committee
- CLS Risk Committee
- CLS Remuneration Committee
- CLS Nomination Committee

The directors operate strong risk, governance and oversight controls to ensure that high standards of business conduct are observed.

All employees and directors within the Group are required to follow the Computershare Code of Conduct, that sets out the principles and standards with which they are expected to comply as they perform their functions. We recognise that to protect and enhance our reputation, all employees must conduct themselves in accordance with the highest standards of personal integrity. This is critical to ensuring all stakeholders, from clients to investors and suppliers can have confidence in all aspects of our business.

A copy of the Group's Board approved Code of Conduct, and other policies and charters noted above are available from the Corporate Governance section of <http://www.computershare.com/governance>.

(f) The Company is a wholly owned subsidiary of Computershare Investments (UK) No.3 Limited ('CIN3') and the directors are committed to openly engaging with the Board and Management of CIN3.

This report was approved by the Board of directors on 19 October 2020 and signed on its behalf.



**P Ali**  
Director



## **TOPAZ FINANCE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their report and the financial statements for the year ended 30 June 2020.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

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

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

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

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

#### **Principal activities**

The principal activity of Topaz Finance Limited ("the Company") is the master servicing and administration of mortgages, including the provision of legal title services.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £5,465 thousand (2019 - £3,300 thousand).

The directors do not propose a final dividend to be paid (2019: £ nil). An interim dividend of £2,500 thousand was paid (2019: £ nil) during the year.

At the end of the year, the balance sheet showed total assets of £17,502 thousand (2019: £15,064 thousand). Total equity was £10,911 thousand (2019: £7,946 thousand).

**TOPAZ FINANCE LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Directors**

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

A Jones  
J Pattinson (resigned 31 July 2019)  
P Costigan (resigned 31 October 2019)  
P Fryers (resigned 9 August 2019)  
P Ali (appointed 15 July 2019)  
R Banks  
J Foster (resigned 15 July 2019)  
T Franklin  
M Martin (resigned 23 July 2019)  
N Oldfield (appointed 15 July 2019)

The reduction in the number of directors reflects a simplification in the Company governance structures which was undertaken during the year.

**Political contributions**

The Company made no contributions for political purposes in the year ended 30 June 2020 (2019: £nil).

**Principal risks and uncertainties**

The principal risk faced by the company is the ability to maintain/grow the Assets under Management and offset any natural decline in the assets managed for existing clients.

**Future developments**

The Company is monitoring developments in relation to the Brexit negotiations and will review any final guidance on the future trading relations with its clients and suppliers as these become available.

**Qualifying third party indemnity provisions**

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

## TOPAZ FINANCE LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

#### Strategic report

The Company's business review, details of the principle risks and uncertainties and the key financial performance indicators are included within the Strategic Report.

#### Financial risk management

The Company's operations expose it to a variety of risks that include credit and liquidity risk. Further detail on this is provided in both the strategic report under the principal risks and uncertainties as well as in the notes to the financial statements.

#### Going concern

Despite the continuing difficult economic environment, the Company has reported a healthy operating profit and is in a net asset position. The Company is forecast to continue to be profitable, after making allowances for the impact of Brexit and COVID-19.

The Company has also received a Letter of Support from its ultimate parent undertaking, Computershare Limited, confirming that it intends to provide financial support to ensure the Company will be able to meet financial and contractual liabilities as they fall due, and carry on business without significant curtailment of operations for at least 12 months from the date of approval of the Annual Report and Financial Statements for the year ending 30 June 2020.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 5. The financial position of the Company and liquidity position are described in the Company financial statements on pages 13 to 28.

For these reasons, the directors continue to adopt the going concern basis of accounting in the financial statements.

#### Disclosure of information to auditors

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

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

#### Post balance sheet events

In light of a projected headcount decrease and an increased proportion of colleagues working from home on a permanent basis a review has been undertaken into the future property requirements of CLS. Currently there are two sites, Crossflatts and Skipton, occupied by CLS in Yorkshire. These are to be consolidated into a single site at Crossflatts and as a result the Skipton site will close, colleagues will transfer to the Crossflatts site where appropriate. The decision was made and communicated to staff in August 2020 and is a non-adjusting event. The financial impact of the decision is subject to the outcome of ongoing commercial discussions and will be accounted for in the financial year ending 30 June 2021. Topaz is recharged for occupancy of the sites by other Computershare Group companies.

#### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**TOPAZ FINANCE LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

This report was approved by the Board of directors on 19 October 2020 and signed on its behalf.



**P Ali**  
Director

# ***Independent auditors' report to the members of Topaz Finance Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Topaz Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2020; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

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

### ***Independence***

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

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an

apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

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

#### *Use of this report*

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

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### **Other required reporting**

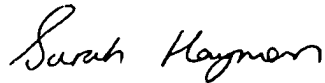
#### **Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or

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

We have no exceptions to report arising from this responsibility.



Sarah Hayman (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
19 October 2020

**TOPAZ FINANCE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 £000	2019 £000
Turnover	4	37,318	24,465
Cost of sales		(30,086)	(19,310)
<b>Gross profit</b>		<u>7,232</u>	<u>5,155</u>
Administrative expenses		(1,809)	(1,916)
Other operating income	5	30	54
<b>Operating profit</b>	7	<u>5,453</u>	<u>3,293</u>
Interest receivable and similar income		32	-
<b>Profit before tax</b>		<u>5,485</u>	<u>3,293</u>
Tax on profit	9	(20)	7
<b>Profit for the financial year</b>		<u><u>5,465</u></u>	<u><u>3,300</u></u>

There was no other comprehensive income for 2020 (2019: £000NIL).

The notes on pages 16 to 28 form part of these financial statements.



**TOPAZ FINANCE LIMITED**  
**REGISTERED NUMBER: 05946900**

**BALANCE SHEET**  
**AS AT 30 JUNE 2020**

	Note	2020 £000	2019 £000
<b>Current assets</b>			
Debtors	12	14,851	3,924
Cash at bank and in hand	13	2,651	11,140
		<u>17,502</u>	<u>15,064</u>
Creditors: amounts falling due within one year	14	(5,981)	(6,489)
<b>Net current assets</b>		<u>11,521</u>	<u>8,575</u>
<b>Total assets less current liabilities</b>		<u>11,521</u>	<u>8,575</u>
<b>Provisions for liabilities</b>			
Other provisions	16	(610)	(629)
		<u>(610)</u>	<u>(629)</u>
<b>Net assets</b>		<u><u>10,911</u></u>	<u><u>7,946</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	101	101
Share premium account		5,700	5,700
Other reserves		120	120
Profit and loss account		4,990	2,025
		<u>10,911</u>	<u>7,946</u>

The financial statements on pages 13 to 28 were approved and authorised for issue by the Board of directors and were signed on its behalf on 19 October 2020.



**P Ali**  
Director

The notes on pages 16 to 28 form part of these financial statements.

**TOPAZ FINANCE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Other reserves £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
At 1 July 2018	101	5,700	120	(1,275)	4,646
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	3,300	3,300
<b>Total comprehensive income for the year</b>	-	-	-	3,300	3,300
At 30 June 2019	101	5,700	120	2,025	7,946
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	5,465	5,465
<b>Total comprehensive income for the year</b>	-	-	-	5,465	5,465
Dividends: Equity capital	-	-	-	(2,500)	(2,500)
<b>At 30 June 2020</b>	<b>101</b>	<b>5,700</b>	<b>120</b>	<b>4,990</b>	<b>10,911</b>

The notes on pages 16 to 28 form part of these financial statements.

## TOPAZ FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. General information

Topaz Finance Limited ("the Company") is a private limited company limited by shares and incorporated in England in the United Kingdom. The Company is domiciled in England in the United Kingdom and its registered office is The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The directors have taken advantage under section 401 of the Companies Act 2006 not to prepare consolidated financial statements as the Company is included by full consolidation in the consolidated financial statements of its ultimate parent, Computershare Limited (Australia), a company registered in Australia. The financial statements of Computershare Limited (Australia) are publicly available.

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The following principal accounting policies have been applied consistently:

## TOPAZ FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 2. Accounting policies (continued)

##### 2.3 Going concern

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

##### 2.4 Turnover

Turnover is recognised under the principles outlined within IFRS 15. Turnover is earned through the provision of legal title and associated mortgage services to the financial services industry.

Turnover is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. This involves following a 5-step model of turnover recognition.

The 5-step model involves identifying the contract with a customer, identifying performance obligations under the contract, determining the transaction price, allocating the transaction price to performance obligations under the contract and recognising turnover when the Company satisfies its performance obligations.

The key area of judgement in recognition of turnover is calculating the scale and timing of future incremental revenue streams.

Turnover is recognised either when the performance obligation in the contract has been performed, or over time as control of the performance obligation is transferred to the customer. For contracts with multiple components to be delivered management applies judgement to consider whether there are separate performance obligations.

Due to the nature of the turnover being derived from mortgage servicing there are no performance obligations in relation to refunds, warranties or similar obligations.

At contract inception the total transaction price is fixed, determined based on management's commercial estimates. Estimates are based upon management's understanding of the complexity of the required service based on their experience of providing similar services. This is then allocated to the identified performance obligations based on the directly incurred development cost of the required service for each contract when those performance obligations are satisfied. Any variations to the scope of the performance obligations are assessed as and when a change is requested, the transaction price is then reassessed.

For some contracts the company incurs development costs in order to meet its performance obligation and these costs are recognised as an asset. The asset is then amortised on a straight line basis over the remaining life of the contract. Judgement is applied in assessing whether these costs are costs to fulfil a contract and this judgement will depend on management's assessment of the nature of the underlying costs and whether they principally relate to a particular contract.

As the customer benefits from the value of the contract throughout the contractual period based upon what the Company do for the customer the output method is appropriately applied by the Company.

The Company always acts as the principal as there are no arrangements for another party to provide the goods or services.

## TOPAZ FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 2. Accounting policies (continued)

##### 2.5 Debtors

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

##### 2.6 Cash and cash equivalents

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

##### 2.7 Financial instruments

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

###### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at fair value through other comprehensive income (FVOCI). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

###### Financial liabilities

###### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)**

**2.8 Creditors**

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

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

**2.9 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Dividends**

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

**2.11 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.13 Provisions for liabilities**

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

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

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

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)**

**2.14 Taxation**

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

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

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

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

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

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

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

**Provisions**

In determining the future liability relating to customer redress, Topaz has identified the various items necessary for remediation and has made contact with customers to notify them accordingly. This remediation covers a number of different areas relating to overpaid fees as well as redress/compensation. The current provision reflects managements latest estimate of the amount still due to customers at the balance sheet date as set out in note 16.

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**4. Turnover**

All turnover arose from administration of mortgaged loans.

All turnover arose within the United Kingdom.

**5. Other operating income**

	<b>2020 £000</b>	<b>2019 £000</b>
Other operating income	30	54
	<u>30</u>	<u>54</u>

Other operating income includes Shortfall recovery in the period of £30 thousand (2019: £22 thousand).

**6. Net gain on mortgages**

	<b>2020 £000</b>	<b>2019 £000</b>
Shortfalls recovered during the year	30	22
	<u>30</u>	<u>22</u>

	<b>2020 £000</b>	<b>Number of shortfalls under recovery</b>
Shortfalls as at 1 July 2019	12,170	260
Shortfalls no longer under recovery	(16)	(1)
Shortfalls recovered during the year	(30)	-
<b>Shortfalls as at 30 June 2020</b>	<u>12,124</u>	<u>259</u>



TOPAZ FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**Net gain on mortgages (continued)**

	<b>2019 £000</b>	<b>Number of shortfalls under recovery</b>
Shortfalls as at 1 July 2018	12,355	263
Shortfalls no longer under recovery	(163)	(3)
Shortfalls recovered during the year	(22)	-
<b>Shortfalls as at 30 June 2019</b>	<b>12,170</b>	<b>260</b>

Shortfalls represent the residual balance owed to the Company following default by borrowers and subsequent repossession and disposal of the mortgage security. The outstanding Shortfalls balance presented above was fully written down in prior periods due to the low probability of recovery. Where amounts have been recovered during the year these are included within Other operating income in the Statement of Comprehensive Income.

**7. Operating profit**

The operating profit is stated after charging:

	<b>2020 £000</b>	<b>2019 £000</b>
Auditors' remuneration - audit services	19	24
Other pension costs	101	78

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**8. Employees**

The company has no employees, the costs below are in respect of staff dedicated to Topaz Finance Limited and their costs are recharged by another group company.

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,493	1,752
Social security costs	173	210
Other pension costs	101	78
	<u>1,767</u>	<u>2,040</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Employees	<u>28</u>	<u>33</u>

The emoluments of A Jones and J Pattinson are paid by Homeloan Management Limited which makes no recharge to the company. These individuals are also directors of a number of other companies in the Computershare Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of these companies. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Homeloan Management Limited.

The emoluments of P Ali, J Foster, N Oldfield and P Costigan are paid by Computershare Investor Services PLC which makes no recharge to the company. These individuals are also directors of other companies in Computershare Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of these companies.

The emoluments of other directors (P Fryers, T Franklin, R Banks and M Martin) are paid by Computershare Services Limited and are recharged to the company. Accordingly, the above details only include emoluments in respect of these directors, totalling £132 thousand in the year (2019: £379 thousand). This includes £Nil thousand employer contributions to defined contribution pension plans (2019: £11 thousand).

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**9. Tax on profit**

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	22	(8)
Changes to tax rates	(4)	1
Adjustments in respect of previous years	2	-
<b>Total deferred tax</b>	<u>20</u>	<u>(7)</u>
<b>Taxation on profit</b>	<u>20</u>	<u>(7)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	<b>2020 £000</b>	<b>2019 £000</b>
Profit before tax	<u>5,485</u>	<u>3,293</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	1,043	626
<b>Effects of:</b>		
Expenses not deductible for tax purposes	38	-
Tax rate changes	(4)	1
Adjustments to tax charge in respect of prior periods	2	-
Group relief	(1,059)	(634)
<b>Total tax charge/(credit) for the year</b>	<u>20</u>	<u>(7)</u>

The Company has claimed tax losses of £5,574 thousand (2019: the Company claimed tax losses of £3,337 thousand) with a tax effect of -£1,059 thousand (2019: -£634 thousand) from fellow subsidiary undertakings for no payment.

TOPAZ FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

9. Tax on profit (continued)

Factors that may affect future tax charges

The main UK corporation tax rate is 19% throughout the year ended 30 June 2020. Deferred tax is therefore provided at 19%.

10. Dividends

	2020 £000	2019 £000
Dividends paid	2,500	-
	<u>2,500</u>	<u>-</u>

11. Investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company and were incorporated 14 June 2018:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Rosolite Mortgages Limited	UK	Ordinary	100%	Non Trading
Siberite Mortgages Limited	UK	Ordinary	100%	Non Trading

The address of the registered offices of Rosolite Mortgages Limited and Siberite Mortgages Limited is: The Pavillions, Bridgwater Road, Bristol, BS13 8AE

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**12. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	7,321	3,388
Amounts owed by group undertakings	7,032	8
Other debtors	379	-
Prepayments and accrued income	105	494
Deferred taxation	14	34
	<u>14,851</u>	<u>3,924</u>

The Amounts owed to group undertakings includes a £7,000 thousand loan to CIN3 repayable on demand with interest payable at a rate of the UK Daily LIBOR plus 1.05% per annum.

**13. Cash at bank and in hand**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	2,651	11,140
	<u>2,651</u>	<u>11,140</u>

**14. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	5,299	5,081
Other taxation and social security	187	128
Accruals and deferred income	495	1,280
	<u>5,981</u>	<u>6,489</u>

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

**15. Deferred taxation**

	<b>2020</b>
	<b>£000</b>
Charged to the profit or loss	14
<b>At 30 June 2020</b>	<u>14</u>

**TOPAZ FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**15. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	<b>2020 £000</b>	<b>2019 £000</b>
Temporary trading differences	14	34
	<u>14</u>	<u>34</u>

**16. Other Provisions**

	<b>Refund provision £000</b>	<b>Operational issues £000</b>	<b>Total £000</b>
At 1 July 2019	629	-	629
Charged to the profit or loss	-	10	10
Utilised in year	(29)	-	(29)
<b>At 30 June 2020</b>	<u>600</u>	<u>10</u>	<u>610</u>

**Refund provision**

The refund provision reflects management's estimate of refunds due to mortgage customers in respect of historical fees and charges applied in error to customer accounts.

It is uncertain when the provision will be fully utilised as it is dependent on when, and if, customers who have been communicated to respond.

**Operational issues**

The provision is made for estimated compensation payments resulting from past operational issues. The amount of the provision to be held and the amount of compensation made is determined through internal investigation and agreement with the client on a case by case basis.

It is uncertain when the provision will be fully utilised due to the nature of internal investigations and discussions with the client.

**17. Called up share capital**

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Authorised, allotted, called up and fully paid</b>		
100,570 (2019 - 100,570) ordinary shares of £1 each	<u>101</u>	<u>101</u>

## **TOPAZ FINANCE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **18. Post balance sheet events**

In light of a projected headcount decrease and an increased proportion of colleagues working from home on a permanent basis a review has been undertaken into the future property requirements of CLS. Currently there are two sites, Crossflatts and Skipton, occupied by CLS in Yorkshire. These are to be consolidated into a single site at Crossflatts and as a result the Skipton site will close, colleagues will transfer to the Crossflatts site where appropriate. The decision was made and communicated to staff in August 2020 and is a non-adjusting event. The financial impact of the decision is subject to the outcome of ongoing commercial discussions and will be accounted for in the financial year ending 30 June 2021. Topaz is recharged for occupancy of the sites by other Computershare Group companies.

#### **19. Controlling party**

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

The ultimate parent undertaking and ultimate controlling party is Computershare Limited ("Computershare Limited (Australia)"), a company incorporated in Australia under ACN 005485825, which ultimately holds 100% of the share capital in Topaz Finance Limited and Computershare Investments (UK) (No. 3) Limited.

The smallest and largest group in which Topaz Finance Limited is a member and for which group financial statements are drawn up is the Computershare Limited (Australia) group. The consolidated financial statements of this group can be obtained from Computershare Limited, 452 Johnston Street, Abbotsford, Victoria 3067, Australia. These may also be found at Computershare's website [www.computershare.com](http://www.computershare.com).