

Oakwood Homeloans Holdings Limited

Directors' report and financial statements

Registered number 5092305

31 December 2011

THURSDAY



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Directors' report

The directors present their report and the audited financial statements of Oakwood Homeloans Holdings Limited (the Company) and Oakwood Homeloans Holdings Limited group (the Group) for the year ended 31 December 2011. The Group consists of the Company and its wholly owned subsidiary Oakwood Homeloans Limited.

Principal activity

The principal activity of the Company is that of a holding company. The Group's activities are to advise and arrange regulated mortgage contracts, to provide administration of regulated mortgage contracts and facilitate the financing and realisation of mortgage assets along with related services which are incidental to activities of a mortgage lender, mortgage broker or administrator.

Review of business

The consolidated profit and loss account for the year is set out on page 6. Trading conditions continue to be challenging within the mortgage sector. The resulting Group loss for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividends

The Group's loss for the year is £1,448,460 (2010: £856,090). The directors do not recommend the payment of a final dividend (2010: £nil).

Future developments

Notwithstanding any changes to the present economic environment and challenging conditions being experienced in the mortgage sector, the directors continue to monitor the performance of the Group carefully and continue to deliver appropriate services to its customers.

Directors and their interests

The directors at the date of approval of this report are listed below.

Changes to the directorate since 1 January 2011 and up to the date of this report are as follows:

Leonora Daniel (appointed on 15 April 2011)

Eugene Gorelik (appointed on 17 May 2011)

Bruce Kaiserman

Peter Stevens

James White (resigned on 30 June 2011)

Directors of the Company benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Going concern

During the year, the Group's shareholders' funds decreased from £0.2m to £(1.3)m following the £1.4m loss reported by its subsidiary undertaking Oakwood Homeloans, for 2011. The Company has received a letter of support from its parent undertaking Credit Suisse AG, and the directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. In forming their view, the directors have considered a period of more than twelve months from the date of approving the financial statements.

Directors' report *(continued)*

Supplier payment policy

There is not a defined policy in place with respect to payment of third party invoices. It is usual that the Company pays invoices in accordance with contractual payments terms.

Trade creditor days of the Group at 31 December 2011 was 18 days. This represents the ratio expressed in days, between the amounts invoiced to the Group in the year by its suppliers and the amounts due at the year end to trade creditors falling due for payment within one year.

Share capital

The Company did not raise any additional capital during the year (2010: £nil).

Political and charitable donations

No donations were made during the year (2010: £nil).

Audit information

The directors who held office at the date of approval of this directors' report confirm that, so far as they each are aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board



Leonora Daniel

19 April 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing 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 Group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 Group and parent company of their profit or loss for that period. In preparing each of the Group and parent company 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Oakwood Homeloans Holdings Limited

We have audited the financial statements of Oakwood Homeloans Holdings Limited for the year ended 31 December 2011 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2011 and of the Group's loss for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

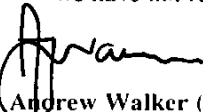
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 parent company 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.



Andrew Walker (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

1 The Embankment, Neville Street,

Leeds,

LS1 4DW

19 April 2012

Consolidated profit and loss account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	209,360	920,424
Administration expenses		(1,633,670)	(1,777,997)
Operating loss		(1,424,310)	(857,573)
Other interest receivable and similar income	5	4,044	1,570
Other interest payable and similar charges	6	(28,194)	(84)
Loss on ordinary activities before taxation	7	(1,448,460)	(856,087)
Taxation on loss on ordinary activities	8	-	(3)
Loss on ordinary activities after taxation		(1,448,460)	(856,090)

The notes on pages 8 to 15 form an integral part of these consolidated financial statements

The losses for 2011 and 2010 are derived from continuing operations

There are no recognised gains and losses other than those recognised in the profit and loss account

Balance sheets as at 31 December 2011

	Note	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Fixed assets					
Investments	9	-	-	-	-
		-	-	-	-
Current assets					
Debtors	10	92,253	-	117,642	-
Cash at bank		998,193	-	2,341,018	-
		1,090,446	-	2,458,660	-
Creditors: amounts falling due within one year	11	(2,387,558)	(2,033,375)	(2,307,312)	(2,005,181)
Total assets less current liabilities		(1,297,112)	(2,033,375)	151,348	(2,005,181)
Capital and reserves					
Called up share capital	12	168,136	168,136	168,136	168,136
Profit and loss account	13	(1,465,248)	(2,201,511)	(16,788)	(2,173,317)
Shareholders' funds	14	(1,297,112)	(2,033,375)	151,348	(2,005,181)

The notes on pages 8 to 15 form an integral part of these consolidated financial statements

The financial statements on pages 6 to 15 were approved by the board of directors on 19 April 2012 and were signed on its behalf by



Leonora Daniel
Director
Company registered number 5092305

Notes to the consolidated financial statements for the year ended 31 December 2011

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of consolidation

The Group financial statements consolidate the results and financial position of Oakwood Homeloans Holdings Limited and its subsidiary up to 31 December each year. Intra-Group sales and profits are eliminated fully on consolidation.

In accordance with section 408 of the Companies Act 2006 the Company is exempt from the requirement to produce its own profit and loss account. The result for the financial period dealt with in the financial statements of the Company is disclosed in note 15 to these financial statements.

Cash flow exemption

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Turnover

Turnover represents amounts receivable for administration services provided in the normal course of business, insurance commission and transaction fees relating to the purchase and sale of mortgage loans. Revenue is recognised in line with accruals accounting based on fees received for services provided during the financial year.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

The total turnover of the Group for the year was derived from its principal activity wholly undertaken in the United Kingdom. During the year the Group sold mortgage loan portfolios amounting to £nil (2010: £325.3m).

The Group earns fees and commission income from retained mortgage books on an ongoing basis.

Notes to the consolidated financial statements for the year ended 31 December 2011 *(continued)*

3 Directors' emoluments

The directors did not receive any remuneration in respect of their services as directors of the Company (2010: £nil). Directors of the Company benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The directors are employees of fellow subsidiary undertakings of Credit Suisse Group AG and the Company does not reimburse them for the services rendered by these directors.

4 Employee information

The Company had no employees during the year (2010: nil).

5 Interest receivable and similar income

	2011	2010
	£	£
Other interest receivable and similar income		
Bank or other interest receivable	4,044	1,570

6 Interest payable and similar charges

	2011	2010
	£	£
Other interest payable and similar charges		
Bank or other interest payable	28,194	84

7 Loss on ordinary activities before taxation

	2011	2010
	£	£
Loss on ordinary activities before taxation is stated after charging		
Auditor's remuneration for		
Audit of these consolidated financial statements	12,675	13,000

Fees for the audit of the Group are paid by Oakwood Homeloans Limited.

Notes to the consolidated financial statements for the year ended 31 December 2011 (*continued*)

8 Taxation

(a) Analysis of charge in the year

	2011 £	2010 £
Tax credit based on the loss for the year at a rate of 26.5% (2010: 28%) is		
UK corporation tax		
Adjustments in respect of prior periods	-	3
Total tax charge	-	3

(b) Factors affecting tax charge for the year

Tax credit for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010: 28%)
The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before taxation	(1,448,460)	(856,087)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	(383,842)	(239,704)
Effects of		
Group relief surrendered for nil consideration	383,842	239,704
Adjustments in respect of prior periods	-	3
Current tax charge for the year (note 8a)	-	3

(c) Factors that may affect future tax charges

The UK corporation tax rate reduced from 26% to 24% effective from 1 April 2012

Notes to the consolidated financial statements for the year ended 31 December 2011 (*continued*)

9 Fixed asset investments

Company	Shares in Group undertakings £
Cost	
At 1 January 2011	2,140,000
Additions	-
At 31 December 2011	2,140,000
Accumulated Impairment	
At 1 January 2011	(2,140,000)
Additions	-
At 31 December 2011	(2,140,000)

Details of the Company's wholly owned subsidiary undertaking which is incorporated in England and Wales are set out below

Name and nature of the business	Class of shares held	Percentage of shares held
Oakwood Homeloans Limited - mortgage company	Ordinary Shares	100%

10 Debtors

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Amounts falling due within one year:				
Trade debtors	14,617	-	68,997	-
Other debtors	42,185	-	14,759	-
Prepayments and accrued income	35,451	-	33,886	-
	92,253	-	117,642	-

Notes to the consolidated financial statements for the year ended 31 December 2011 (*continued*)

11 Creditors: amounts falling due within one year

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Amounts falling due within one year:				
Trade creditors	83,636	-	1,449	-
Accruals and deferred income	303,838	-	305,779	-
Owed to group undertakings	2,000,084	2,033,375	2,000,084	2,005,181
	2,387,558	2,033,375	2,307,312	2,005,181

12 Called up share capital - Group and Company

	2011 £	2010 £
Allotted, called-up and fully paid		
75 ordinary A shares of £1 each	75	75
25 ordinary B shares of £1 each	25	25
168,036 ordinary C shares of £1 each	168,036	168,036
Total allotted, called-up and fully paid	168,136	168,136

'A' ordinary shares

The 'A' ordinary shares shall confer on the holders thereof, together with the holders of the 'C' ordinary shares as if they formed a single class, the right to receive any payment by way of dividend.

The 'A' ordinary shares shall entitle the holders thereof to receive notice of and vote at any general meeting of the Company, and those 'A' ordinary shares from time to time in issue shall in aggregate, and at all times, carry 51% of the rights to vote attaching to the Company's voting share capital from time to time.

In the event of a winding up of the Company or other return of capital, the assets available for distribution shall be distributed to the holders of the 'A' ordinary shares and the 'C' ordinary shares as if they formed a single class.

Notes to the consolidated financial statements for the year ended 31 December 2011 *(continued)*

12 Called up share capital - Group and Company (continued)

'B' ordinary shares

The 'B' ordinary shares shall not carry any rights to participation in the profits or the assets of the Company

The 'B' ordinary shares shall entitle the holders thereof to receive notice of and attend and vote at any general meeting of the Company, and those 'B' ordinary shares from time to time in issue shall in aggregate and at all times carry 49% of the rights to vote attaching to the Company's voting share capital from time to time

'C' ordinary shares

The 'C' ordinary shares shall confer on the holders thereof together with the holders of the 'A' ordinary shares as if they formed a single class, the right to receive any payment by way of dividend

The 'C' ordinary shares shall entitle the holders thereof to receive notice of but not the right to attend and vote at any general meeting of the Company

In the event of a winding up of the Company or other return of capital the assets available for distribution shall be distributed to the holders of the 'A' ordinary shares and the 'C' ordinary shares as if they formed a single class

13 Reserves

Profit and loss account	Group 2011 £	Company 2011 £
On 1 January 2011	(16,788)	(2,173,317)
Loss for the year	(1,448,460)	(28,194)
31 December 2011	(1,465,248)	(2,201,511)

Notes to the consolidated financial statements for the year ended 31 December 2011 (*continued*)

14 Reconciliation of movements in shareholders' funds

Group	2011	2010
	£	£
Opening shareholders' funds	151,348	1,007,438
Loss for the year	(1,448,460)	(856,090)
Closing shareholders' funds	(1,297,112)	151,348

Company	2011	2010
	£	£
Opening shareholders' funds	(2,005,181)	135,008
Loss for the year	(28,194)	(2,140,189)
Closing shareholders' funds	(2,033,375)	(2,005,181)

15 Company result for the financial year

In accordance with section 408 of the Companies Act 2006 the Company is exempt from the requirement to produce its own profit and loss account. The loss for the financial year dealt with in the financial statements of the Company amounted to £28,194 (2010: £2,140,189).

16 Related party transactions

The Group earns income from the ultimate funding entities which own the beneficial and economic interest in the mortgage portfolios that the Group has sourced. Goods and/or services supplied during the year and balances remaining at the year end from these companies are as follows:

- Goods or services amounting to £27,562 (2010: £33,054) were supplied and charged to Alba 2005 – 1 PLC
- Goods or services amounting to £44,137 (2010: £61,540) were supplied and charged to Alba 2006 – 1 PLC
- Goods or services amounting to £70,155 (2010: £72,308) were supplied and charged to Alba 2006 – 2 PLC
- Goods or services amounting to £158,750 (2010: £195,017) were supplied and charged to Alba 2007 – 1 PLC
- Goods or services amounting to £25,904 (2010: £558,505) were supplied and charged to Credit Suisse AG, London Branch

Notes to the consolidated financial statements for the year ended 31 December 2011 (*continued*)

16 Related party transactions (*continued*)

- Balances of £472 (2010 £6,128) remained outstanding from Alba 2005 – 1 PLC
- Balances of £nil (2010 £5,573) remained outstanding from Alba 2006 – 1 PLC
- Balances of £nil (2010 £5,064) remained outstanding from Alba 2006 – 2 PLC
- Balances of £9,233 (2010 £18,451) remained outstanding from Alba 2007 – 1 PLC
- Balances of £4,911 (2010 £33,782) remained outstanding from Credit Suisse AG London Branch

A balance of £835,000 cash (2010 £2,185,000) was deposited at the year end with Credit Suisse AG London Branch, and this is able to be called at one day's notice. During the year, the Group earned interest on this deposit of £4,044 (2010 £987).

The Company and Group has a loan from its parent undertaking, Credit Suisse AG London Branch, and the amount outstanding as of the year end was £2,000,000 (2010 £2,000,000) on which interest has been charged in the year of £28,194 (2010 £84).

17 Post balance sheet event

There are no post balance sheet events to be reported.

18 Parent undertaking

The Company's immediate parent, which consolidates the results of the Company, is Credit Suisse AG, and the ultimate parent company is Credit Suisse Group AG. Both entities are incorporated in Switzerland. Copies of the financial statements of the immediate parent company and the ultimate parent company can be obtained from Credit Suisse Group, Paradeplatz, PO Box 1, 8070 Zurich, Switzerland.