OAKWOOD HOMELOANS HOLDINGS LIMITED

Annual Report and Financial Statements
For the year ended 31 December 2016

Registered number 5092305

Report and Financial Statements

Contents

BOARD OF DIRECTORS

Leonora Daniel	Director
David Jerrard	Director

COMPANY SECRETARY

Roger Lansdowne	Company Secretary

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Principal activity
The principal activity of the Company is that of a holding company with respect to Oakwood Homeloans Limited ("the Subsidiary"), a wholly owned subsidiary company which is incorporated and domiciled in the United Kingdom.

Review of business
The Statement of Profit or Loss and Other Comprehensive Income for the year is set out on page 8. Trading conditions experienced within the mortgage sector by the Subsidiary continue to be challenging and therefore the Company has incurred a loss for the year. The loss and the financial position at the year-end were considered satisfactory by the directors.

Measurement/Key Performance Indicators
Primary indicators tracked are:

- Pre-Tax Losses ('PTL') on a total business level: as in line with management expectation the Company has made a loss for the period under review.

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using other key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Results
The Company's loss for the year is £1,525,116 (2015: £2,524,341). As at 31 December 2016, the Company had total assets of £5,664 (2015: £6,861), which comprise mainly of amounts receivable from the group loss relief negotiated with fellow group companies, and total shareholders' negative equity of £2,155,882 (2015: £2,130,766).

Risks and Uncertainties
The risks facing the Company are mainly through its subsidiary and are liquidity risk, on any cash balances, market risk and credit risk, primarily on revenue and related receivables and operational risk, from inadequate or failed internal processes, people or systems. In relation to credit risk, the majority of total assets are held with other Credit Suisse Group companies, and accordingly, this is not considered to be a significant risk. The Company's financial risk management objectives and policies are outlined in Note 16 to the financial statements. The Company is exposed to minimal operational risk.

Capital Resources
During the year, the Company issued £1.5 million additional share capital (2015: £2.5 million). The Company continues to closely monitor its capital and funding requirements. Credit Suisse AG, Zurich has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due.

Strategy
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 Company carefully and continue to deliver appropriate services to its Subsidiary's customers.

Signed on behalf of the Board of Directors on 11 April 2017 by:

Leonora Daniel
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

International Financial Reporting Standards

Oakwood Homeloans Holdings Limited ('OHHL') 2016 annual accounts have been prepared in accordance with International Financial Reporting Standards and its interpretations ('IFRS') as adopted for use in the European Union ('EU').

The financial statements were authorised for issue by the Directors on 19 April 2016.

Going Concern Basis

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. Credit Suisse AG, Zurich has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due. The directors 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.

Exemption from group accounts

Pursuant to section 401 of the Companies Act, 2006, the Company is exempt from preparing and delivering group financial statements as the Company is a wholly owned indirect subsidiary of Credit Suisse Group AG, incorporated in Switzerland, which prepares consolidated financial statements.

Results and dividends

The Company's loss for the year is £1,525,116 (2015: £2,524,341). The directors do not recommend the payment of a final dividend (2015: £nil).

Directors

The Directors who held office at the date of approval of this report are listed on page 3.

There have been no changes to the directorate since 1 January 2016 and up to the date of this report.

The directors did not receive any remuneration in respect of their services as directors of the Company. The directors are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these directors.

None of the directors who held office at the end of the financial year was beneficially interested, at any time during the year, in the shares of the Company. Directors of the Company benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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. They 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.

Disclosure of information to Auditor
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.

Auditor
Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

Leonora Daniel
Director
The Watermill, Broughton,
Skipton, North Yorkshire, BD23 3AG. United Kingdom.

11 April 2017

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 2016 set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 pages 5 and 6, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:
- we have not identified material misstatements in those reports; 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
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 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.

Dean Rogers

Dean Rogers (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL
11th April 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		£	£
Revenue	4	-	-
Interest expense	5	(19,462)	(20,267)
Administrative expenses	6	(7,811)	(7,191)
Impairment	11	(1,500,000)	(2,500,000)
Loss before tax	7	**(1,527,273)**	**(2,527,458)**
Taxation	10	2,157	3,117
Loss and total comprehensive loss for the year		**(1,525,116)**	**(2,524,341)**

There were no items of other comprehensive income during the period.

Losses for both 2016 and 2015 are derived from continuing operations.

The notes on pages 12 to 24 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016	2015
		£	£
Non-current assets			
Investment in subsidiaries	11	-	-
Group relief receivable	12	5,664	6,861
TOTAL ASSETS		**5,664**	**6,861**
LIABILITIES			
Current liabilities			
Other financial liabilities	13	2,011,571	2,012,444
Total current liabilities		2,011,571	2,012,444
Non-current liabilities			
Other financial liabilities	13	149,975	125,183
Total non-current liabilities		149,975	125,183
TOTAL LIABILITIES		**2,161,546**	**2,137,627**
SHAREHOLDERS' EQUITY			
Called up share capital	14	9,218,136	7,718,136
Accumulated losses		(11,374,018)	(9,848,902)
SHAREHOLDERS' EQUITY		**(2,155,882)**	**(2,130,766)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,664**	**6,861**

The notes on pages 12 to 24 form part of the Financial Statements.

These financial statements were approved by the Board of Directors on 11 April 2017 and were signed on its behalf by:

Leonora Daniel
Director
Company Registered Number: 5092305

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share Capital	Accumulated Losses	Total Equity
	£	£	£
Balance at 1 January 2016	7,718,136	(9,848,902)	(2,130,766)
Net loss for the year	-	(1,525,116)	(1,525,116)
Total comprehensive loss for the year	-	(1,525,116)	(1,525,116)
Issue of share capital	1,500,000	-	1,500,000
Balance at 31 December 2016	**9,218,136**	**(11,374,018)**	**(2,155,882)**

	Share Capital	Accumulated Losses	Total Equity
	£	£	£
Balance at 1 January 2015	5,218,136	(7,324,561)	(2,106,425)
Net loss for the year	-	(2,524,341)	(2,524,341)
Total comprehensive loss for the year	-	(2,524,341)	(2,524,341)
Issue of share capital	2,500,000	-	2,500,000
Balance at 31 December 2015	**7,718,136**	**(9,848,902)**	**(2,130,766)**

The notes on pages 12 to 24 form part of the Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Cash flows from operating activities		
Loss before tax for the period	(1,527,273)	(2,527,458)
Adjustment for impairment	1,500,000	2,500,000
	(27,273)	(27,458)
Receipt of payment for Group Tax Relief	3,354	3,984
Increase in other financial liabilities	23,919	23,474
Net cash from operating activities	-	-
Cash flows from investing activities		
Investment in subsidiary	(1,500,000)	(2,500,000)
Net cash used in investing activities	**(1,500,000)**	**(2,500,000)**
Cash flows from financing activities		
Issue of shares	1,500,000	2,500,000
Net cash from financing activities	**1,500,000**	**2,500,000**
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

The notes on pages 12 to 24 form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. **REPORTING ENTITY**

Oakwood Homeloans Holdings Limited is a limited company incorporated and domiciled in the United Kingdom. The Company's principal activity is to serve as an investment holding company.

Pursuant to section 401 of the Companies Act, 2006, the Company is exempt from preparing and delivering group financial statements as the Company is a wholly owned indirect subsidiary of Credit Suisse Group AG, incorporated in Switzerland, which prepares consolidated financial statements.

The Company's registered office is:
The Watermill
Broughton
Skipton
North Yorkshire
BD23 3AG
United Kingdom

2. **SIGNIFICANT ACCOUNTING POLICIES**

STATEMENT OF COMPLIANCE

The financial statements have been prepared on a going concern basis and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRS').

BASIS OF PREPARATION

The Financial Statements are presented in pounds sterling ('GBP') which is the Company's functional currency. They are prepared on the historical cost basis.

The preparation of Financial Statements in conformity with Adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Critical accounting estimates and judgements applied to these Financial Statements are set out in Note 3 – Critical Accounting Estimates and Judgements in Applying Accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision has a significant effect on both current and future periods.

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the Company had incurred a loss of £1.52 million for the year ended 31 December 2016 (31 December 2015: £2.52 million). Accordingly, the validity of the going concern assumption is dependent upon future profitable operations and continued financial support from its ultimate parent. Credit Suisse AG have confirmed that they will provide the Company with such financial support as may be required to meet the Company's obligations as they arise in the foreseeable future.

STANDARDS AND INTERPRETATIONS

Standards and Interpretations effective in the current period

The Company has adopted the following amendments in the current year:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

STANDARDS AND INTERPRETATIONS (*continued*)

Standards and Interpretations effective in the current period (continued)

- Annual Improvements to IFRSs 2012-2014 Cycle: In September 2014, the IASB issued 'Annual Improvements to IFRSs 2012-2014 cycle' (Improvements to IFRSs 2012-2014). The adoption of the Improvements to IFRSs 2012-2014 on 1 January 2016, did not have an impact to the Company's financial position, results of operation or cash flows.
- Amendments to IAS 27: Equity Method in Separate Financial Statements: In August 2014 the IASB issued 'Equity Method in Separate Financial Statements'. The Amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The adoption of the Amendments to IAS 27 on 1 January 2016 did not have an impact on the Company's financial position, results of operation or cash flows.
- Disclosure Initiative (Amendments to IAS 1): In December 2014, the IASB issued Amendments to IAS 1 as part of their Disclosure Initiative. The Amendments clarify guidance regarding materiality, notes to the financial statements and the presentation of the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The Amendments will allow entities to use more judgement when preparing and presenting financial statements. As the Amendments to IAS 1 impact disclosures only, the adoption on 1 January 2016 did not have an impact on the Company's financial position, results of operation or cash flows.
- Investment entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28); In December 2014, the IASB issued 'Investment Entities: Applying the Consolidation Exception' (Amendments to IFRS 10, IFRS 12 and IAS 28). The Amendments address issues that have arisen in relation to the exemption from consolidation for investment entities. The adoption of the Amendments to IFRS 10, IFRS 12 and IAS 28 did not have an impact on the Company's financial position, results of operation or cash flows.

Standards and Interpretations endorsed by the EU and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective.

- IFRS 9 Financial Instruments: In November 2009 the IASB issued IFRS 9 'Financial Instruments' (IFRS 9) covering the classification and measurement of financial assets which introduces new requirements for classifying and measuring financial assets. In October 2010, the IASB reissued IFRS 9, which incorporated new requirements on the accounting for financial liabilities. In July 2014, the IASB issued IFRS 9 as a complete standard. The standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However certain sections of IFRS 9 relating to fair value option elected financial liabilities can be early adopted in isolation. The Company is currently evaluating the impact of adopting IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STANDARDS AND INTERPRETATIONS *(continued)*

Standards and Interpretations endorsed by the EU and not yet effective *(continued)*

- IFRS 15 Revenue from Contracts with Customers: In May 2014, the IASB issued 'Revenue from Contracts with Customers' (IFRS 15). IFRS 15 establishes a single, comprehensive framework for revenue recognition. The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 also includes disclosure requirements to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In April 2016, the IASB issued Clarifications to IFRS 15 'Revenue from Contracts with Customers' (Clarifications to IFRS 15), which is yet to be endorsed by the EU. The Clarifications to IFRS 15 are intended to address implementation questions that were discussed by the Joint Transition Resource Group for Revenue Recognition on licenses of intellectual property, identifying performance obligations, principal versus agent application guidance and transition. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. The guidance does not apply to revenue associated with financial instruments, including loans and securities that are accounted for under other IFRSs. The Company is currently evaluating the impact of adopting IFRS 15 although it does not expect the adoption of IFRS 15 to have a material impact on the Company's financial position, results of operations and cash flows.

Standards and Interpretations not endorsed by the EU and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective and have not yet been endorsed by the EU.

- IFRS 16 Leases: In January 2016 the IASB issued IFRS 16 'Leases' (IFRS 16) which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. IFRS 16 includes disclosure requirements to provide more information about the amount, timing and uncertainty of cash flows arising from leases. Lessor accounting is substantially unchanged compared to the current accounting guidance. Under the current lessee accounting model the Company is required to distinguish between finance leases, which are recognized on balance sheet, and operating leases, which are not. IFRS 16 will require lessees to present a right-of-use asset and a corresponding lease liability on the balance sheet for all leases with a lease term of greater than twelve months, unless the underlying asset is of low value. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Company is currently evaluating the extent of the impact of the adoption of IFRS 16 although it does not expect the adoption of IFRS 16 will have a material impact on the Company's financial position, results of operations and cash flows.
- Amendments to IAS 12: Income Taxes: In January 2016, the IASB issued 'Recognition of Deferred Tax Assets for Unrealised Losses' (Amendments to IAS 12). The Amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The adoption of the Amendments to IAS 12 on 1 January 2017, will not have a material impact to the Company's financial position, results of operation or cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STANDARDS AND INTERPRETATIONS *(continued)*

Standards and Interpretations not endorsed by the EU and not yet effective *(continued)*

- Disclosure Initiative (Amendments to IAS 7): In January 2016, the IASB issued amendments to IAS 7 as part of their Disclosure Initiative. The Amendments require enhanced statement of cash flow disclosures regarding changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. As the Amendments to IAS 7 impact disclosures only, the adoption on 1 January 2017 will not have an impact to the Company's financial position, results of operation or cash flows.
- Amendments to IFRS 2: Share-based Payment: In June 2016, the IASB issued narrow scope amendments to IFRS 2 Share- based payments (Amendments to IFRS 2). The Amendments clarify how to account for certain types of share-based payment transactions. The Amendments to IFRS 2 are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Company is currently evaluating the impact of adopting the Amendments to IFRS 2.
- IFRIC 22: In December 2016, the IASB issued IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (IFRIC 22). IFRIC 22 clarifies the date of the transaction for the purposes of determining the exchange rate used on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. IFRIC 22 is effective for annual periods beginning on or after 1 January 2018. The Company is currently evaluating the impact of adopting IFRIC 22.
- Annual Improvements to IFRSs 2014-2016 Cycle: In December 2016, the IASB issued 'Annual Improvements to IFRSs 2014-2016 cycle' (Improvements to IFRSs 2014-2016). The Improvements to IFRSs 2014-2016 are effective for annual periods beginning on or after 1 January 2017. The Company is currently evaluating the impact of adopting the Improvements to IFRSs 2014-2016.

The accounting policies have been applied consistently by the Company.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the components of cash and amounts due from banks that are short term, highly liquid instruments with original maturities of three months or less which are subject to an insignificant risk of changes in their fair value and that are held or utilised for the purpose of cash management. This includes cash placed in interest bearing deposits with other Credit Suisse group entities for the purpose of liquidity management.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet.

Investments in subsidiaries are reviewed for possible impairment on an annual basis as of 31 December to assess whether the investment carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

INVESTMENTS IN SUBSIDIARIES (*continued*)
If the fair value of the subsidiary's cash-generating activities exceeds its carrying value, there is no impairment. Factors considered in determining the fair value include, among other things: a review of recent performance and estimates of the future earnings potential. Estimates of the future earnings potential, and that of the subsidiary, involve considerable judgement, including management's view on future changes in market cycles, the anticipated result of the implementation of business strategies, competitive factors and assumptions concerning the retention of key contracts. Adverse changes in the estimates and assumptions used to determine the fair value of the subsidiary may result in an impairment charge in the future.

INTEREST EXPENSE
Interest expense includes interest arising from the Company's long term liabilities. Interest expense is accrued on an effective yield basis.

TAXATION
Income tax recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year comprises current tax.

Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the Statement of Profit or Loss and Other Comprehensive Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

For UK corporation tax purposes the Company may surrender or claim certain losses from another UK group company. The surrendering company will be compensated in full for the value of the tax losses surrendered to the claimant company.

Information as to the calculation of income tax recognised in Statement of Profit or Loss and Other Comprehensive Income for the periods presented is included in Note 10 Taxation.

CONTINGENT LIABILITIES
Contingent liabilities are possible obligations that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or are present obligations where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation, cannot be measured with sufficient reliability. A contingent liability is not recognised as a liability but is disclosed, unless the possibility is remote, except for those acquired under business combinations, which are recognised at fair value.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In order to prepare the financial statements in accordance with IFRS, management is required to make certain accounting estimates to ascertain the value of assets and liabilities. These estimates are based upon judgement and the information available at the time, and actual results may differ materially from these estimates. Management believes that the estimates and assumptions used in determining the amount of impairment of the investment in its subsidiary provided within the financial statements are prudent, reasonable and consistently applied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. REVENUE

The Company earned no revenue in the year.

5. INTEREST EXPENSE

	2016	2015
	£	£
Bank interest payable	19,462	20,267
Total	**19,462**	**20,267**

6. ADMINISTRATIVE EXPENSES

	2016	2015
	£	£
Other corporate expenses	7,811	7,191
Total	**7,811**	**7,191**

7. LOSS BEFORE TAXATION

	2016	2015
	£	£
Loss before taxation is stated after charging		
Auditior's remuneration for:		
Audit of these financial statements	**6,337**	**6,337**

The above audit fee relates to the audit of Oakwood Homeloans Holdings Limited and is paid in full by the Company. There were no other services provided to the Company by the auditor.

8. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associate, as well as the Company's key management, who are also directors of the Company.

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 AG, Paradeplatz, PO Box 1, 8070 Zurich, Switzerland which is the registered office of both.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. RELATED PARTY TRANSACTIONS (*continued*)

a) Related party assets and liabilities

The Company enters into these transactions in the ordinary course of business and at arm's length.

Assets	2016	2015
	£	£
Fellow Credit Suisse group companies		
Group relief receivable	5,664	6,861
Total assets	**5,664**	**6,861**

Liabilities	2016	2015
	£	£
Subsidiary		
Other financial liabilities	149,975	125,183
Parent		
Other financial liabilities	2,003,966	2,005,046
Total liabilities	**2,153,941**	**2,130,229**

Related party expense statement	2016	2015
	£	£
Bank interest expense	19,462	20,267

Related party income statement	2016	2015
	£	£
Corporation tax group relief	2,157	3,117

b) Remuneration of Directors and key management personnel
The directors and key management personnel did not receive any remuneration in respect of their services as directors of the Company (2015: £nil). The directors and key management personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these directors and key management personnel.

c) Liabilities due to pension funds
The Company has no employees and therefore does not have any liabilities with regard to pension funds.

9. EMPLOYEE INFORMATION

The Company had no employees during the year (2015: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. TAXATION

a) Current tax

	2016 £	2015 £
Current tax credit on loss in the year	(2,851)	(3,508)
Adjustments in respect to previous periods	694	391
Total tax benefit	**(2,157)**	**(3,117)**

b) Factors affecting tax benefit for the year

The current tax for the year can be reconciled to the standard rate of corporation tax in the UK of 20% (2015: 20.25%) as follows:

	2016 £	2015 £
Loss on ordinary activities before taxation	**(1,527,273)**	**(2,527,458)**
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(305,455)	(511,724)
Other permanent adjustment	2,604	2,052
Non-deductible impairment	300,000	506,164
Adjustments to current tax in respect of previous periods	694	391
Income tax benefit for the year (note 10a)	**(2,157)**	**(3,117)**

c) Factors that may affect future tax (benefits) / charges

The Finance Act 2013, which passed into law on 17 July 2013, reduced the UK corporation tax rate from 23% to 21% with effect from 1 April 2014 and 21% to 20% with effect from 1 April 2015.

The Finance (No. 2) Act 2015, which passed into law on 18 November 2015, included rate reductions in the UK corporation tax rate from 20% to 19% with effect from 1 April 2017 and 19% to 18% with effect from 1 April 2020.

The Finance Act 2016, which was enacted on 15 September 2016, further reduced the UK corporation tax rate from 18% to 17% with effect from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. INVESTMENT IN SUBSIDIARIES

Company	Shares in Group undertakings £
Cost	
At 1 January 2016	9,690,000
Additions	1,500,000
At 31 December 2016	11,190,000

Impairment	Shares in Group undertakings £
At 1 January 2016	(9,690,000)
Provided in the year	(1,500,000)
At 31 December 2016	(11,190,000)

Net Book Value	Shares in Group undertakings £
At 1 January 2016	-
At 31 December 2016	-

The Company has impaired the carrying value of the investment held in its subsidiary by £1,500,000 (2015: £2,500,000). This is based upon the present losses arising and a presumed value-in-use assessment of £nil by review of projected cash flows.

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%

Oakwood Homeloans Limited has its registered office at The Watermill, Broughton, Skipton, BD23 3AG. UK.

12. GROUP RELIEF RECEIVABLE

	2016 £	2015 £
Group relief receivable	5,664	6,861
Total group relief receivable	**5,664**	**6,861**

13. OTHER FINANCIAL LIABILITIES

	2016 £	2015 £
Accruals due to third parties	7,605	7,398
Amounts due to subsidiary	149,975	125,183
Amounts due to Parent	2,003,966	2,005,046
Other financial liabilities	**2,161,546**	**2,137,627**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. OTHER FINANCIAL LIABILITIES (continued)

Amounts due to parent undertakings have no fixed date for repayment and are therefore technically repayable on demand. They are accounted for as financial liabilities, measured at amortised cost and the fair value is not considered to be significantly different from the carrying value. The amount due to Parent is subject to variable interest set and payable on a three monthly basis.

14. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Allotted, called-up and fully paid:		
75 'A' ordinary shares of £1 each	**75**	75
25 'B' ordinary shares of £1 each	**25**	25
7,718,036 'C' shares of £1 each	**9,218,036**	7,718,036
Total allotted, called-up and fully paid	**9,218,136**	**7,718,136**

'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.

'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.

15. FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise financial assets and financial liabilities. The information presented herein represents estimates of financial assets and financial liabilities. All non-financial instruments such as prepayments are excluded. For interest bearing deposits, trade and other receivables and trade and other payables, fair value is assumed to approximate to book value, given the short nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

15. FINANCIAL ASSETS AND LIABILITIES *(continued)*

The table below analyses financial instruments by accounting category. The different levels in the fair value hierarchy in which fair value measurements are categorised for financial assets and liabilities have been defined as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2016 and 2015 the company does not have financial assets and liabilities measured at fair value.

2016

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	**Other amortised cost items**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Investments	-	-	-	-	-	-
Group relief receivable	5,664	-	-	5,664	-	5,664
Total	**5,664**	**-**	**-**	**5,664**	**-**	**5,664**
Financial liabilities						
Trade and other payables	-	157,580	-	157,580	-	157,580
Other liabilities	-	2,003,966	-	2,003,966	-	2,003,966
Total	**-**	**2,161,546**	**-**	**2,161,546**	**-**	**2,161,546**

2015

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	**Other amortised cost items**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Investments	-	-	-	-	-	-
Group relief receivable	6,861	-	-	6,861	-	6,861
Total	**6,861**	**-**	**-**	**6,861**	**-**	**6,861**
Financial liabilities						
Trade and other payables	-	132,581	-	132,581	-	132,581
Other liabilities	-	2,005,046	-	2,005,046	-	2,005,046
Total	**-**	**2,137,627**	**-**	**2,137,627**	**-**	**2,137,627**

The carrying amounts of financial assets and liabilities approximate to fair value.

There were no (2015: no) transfers between level 1 and level 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. FINANCIAL RISKS

The Company's investment holding activities expose it to a variety of financial risks which are categorised as follows:

- Liquidity risk
- Credit risk
- Market risk
- Operational risk

Liquidity risk
Liquidity risk is the risk that a company is unable to fund assets to meet obligations as they fall due under both normal and stressed market conditions. The Company has limited liquidity risk. The Company only has one major asset type, which is its investment in its subsidiary and only has liabilities to other group entities (including parent entity).

The Company's liquidity risk management is fully integrated with management of liquidity globally in the Credit Suisse Group and documented in the global Liquidity Policy and Investment of Excess Funds Policy.

The table below shows the maturity of financial liabilities the Company is exposed to, and the undiscounted contractual maturity of the liabilities it faces:

2016

	Not later than one month	Over one month but not more than 3 months	Over 3 months but not more than 1 year	Due between 1 and 5 Years	Due after 5 years	Total
	£	£	£	£	£	£
Accruals	-	-	7,605	-	-	7,605
Other financial liabilities	2,003,966	-	-	-	149,975	2,153,941
Total financial liabilities	**2,003,966**	**-**	**7,605**	**-**	**149,975**	**2,161,546**

2015

	Not later than one month	Over one month but not more than 3 months	Over 3 months but not more than 1 year	Due between 1 and 5 Years	Due after 5 years	Total
	£	£	£	£	£	£
Accruals		-	7,398			7, 398
Other financial liabilities	2,005,046	-	-	-	125,183	2,130,229
Total financial liabilities	**2,005,046**	**-**	**7,398**	**-**	**125,183**	**2,137,627**

The Company does not hold any investments other than its investment in its subsidiary company, interest rate risk is limited.

The directors consider that the carrying value of financial liabilities approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. FINANCIAL RISKS *(continued)*

Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's market counterparties fail to fulfil their contractual obligations to the Company. The Company has no trade receivables and therefore credit risk is not present.

Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates and foreign exchange rates. The Company has minimal direct market risk. The Company is not affected by the movement of foreign exchange rates because its activities are all in GBP.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities. A change of 100 basis points in interest rates at year end would have increased/(decreased) the Company's, equity and profit or loss by £16,032/ (£16,032) (2015: £15,990/ (£15,990)).

Operational risk

Operational risk Is the risk of financial loss arising from inadequate or failed internal processes, people or systems, or from external events. The Company is exposed to minimal operational risk.

17. CAPITAL MANAGEMENT

The capital of the Company is represented by 9,218,136 ordinary shares (2015: 7,718,136 ordinary shares).

The capital balances are monitored on a monthly basis by the directors of the Company. Funding is provided when necessary to meet capital requirements and is approved by the Credit Suisse group Treasury Department.

The Board of Directors monitor the capital base and the return of capital to investors.

There were no changes in the Company's approach to capital management during the year.

18. SUBSEQUENT EVENTS

None.