OAKWOOD HOMELOANS HOLDINGS LIMITED

Annual Report and Financial Statements
For the year ended 31 December 2019

Registered number 05092305

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Report and Financial Statements

Contents

BOARD OF DIRECTORS

Leonora Daniel	Director
Masashi Washida	Director

COMPANY SECRETARY

Roger Lansdowne	Company Secretary

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

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 10. 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 £5,323,044 (2018: £1,519,718). As at 31 December 2019, the Company had total assets of £10,257 (2018: £8,653), which comprise mainly of amounts receivable from the group loss relief negotiated with fellow group companies, and total shareholders' negative equity of £2,043,474 (2018: £2,020,430).

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.

Key Risk Development - Coronavirus Disease 2019 ("COVID-19")

Following the rapid global spread of the COVID-19 virus during the first quarter 2020, the UK government have introduced tight controls and travel bans as well as implemented measures which quickly restricted activity in large parts of the economy. COVID-19 is expected to have a significant negative effect on the world's economies. The principal activity of the Company is that of a holding company with respect to Oakwood Homeloans Limited ("the Subsidiary"), which derives its revenues from administration of UK residential mortgages for structured entities. There are priority payment rules that these entities must observe which should ordinarily ensure the subsidiary and other servicing partners are remunerated on an ongoing basis, albeit that they are dependent upon ongoing mortgage collections. Regulators have issued guidance to mortgage firms during March 2020 to support customers who are impacted by COVID-19. The economic slowdown, alongside implementing these measures to support customers could give rise to reductions in amounts collected by the structured entities which may impact the cash flow of the Company and the Subsidiary in 2020 and going forward.

Capital Resources

During the year, the Company issued £5,300,000 additional share capital (2018: £1,500,000). 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 15 April 2020 by:

Leonora Daniel,
Director.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

International Financial Reporting Standards

Oakwood Homeloans Holdings Limited ('OHHL') 2019 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 15 April 2020.

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 £5,323,044 (2018: £1,519,718). The directors do not recommend the payment of a final dividend (2018: £nil).

Directors

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

Changes to the directorate since 1 January 2019 and up to the date of this report are as follows:
Masashi Washida (appointed on 25 July 2019)
David Jerrard (resigned on 25 July 2019)

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, relevant and reliable;

- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Modern Slavery and Human Trafficking
In its role as an employer, and as a user and provider of services, Credit Suisse group is committed to human rights and respects them as a key element of responsible business conduct. Credit Suisse group voluntarily commits to uphold certain international agreements relating to human rights, including: the Equator Principles, Principles for Responsible Investment and UN Global Compact.
A number of internal policies, commitments and controls which are already in place help to eradicate modern slavery and human trafficking in the supply chain and across the business. In addition, Credit Suisse group Supplier Code of Conduct aims to ensure that the Credit Suisse group's external business partners, including their employees, subsidiaries and subcontractors, respect human rights, labour rights, employment laws and environmental regulations. In 2016, Credit Suisse group introduced a formal Third Party Risk Management ('TPRM') framework to scrutinise and monitor the operational, financial and reputational risk associated with third party relationships. The TPRM framework provides for structured due diligence assessments of the all suppliers to identify where modern slavery and human trafficking risks may exist.
The complete statement, made pursuant to section 54, Part 6 of the Modern Slavery Act 2015, is publicly available and can be found at www.credit-suisse.com.

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
In order to remain aligned with the ultimate parent group audit, the Board and shareholders proposed PwC as the new statutory auditor for Oakwood Homeloans Holdings Limited effective for the fiscal year ending 31 December 2020.

By order of the Board

Leonora Daniel
Director
The Watermill, Broughton,
Skipton, North Yorkshire, BD23 3AG. United Kingdom.
15 April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OAKWOOD HOMELOANS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Oakwood Homeloans Holdings Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of profit or loss and other comprehensive income; Statement of financial position; Statement of changes in equity; Statement of cash flows, and related notes, including the significant accounting policies in note 2

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

R. Faulkner

Richard Faulkner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London,
E14 5GL
15 April 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		£	£
Revenue	4	-	-
Interest expense	5	(20,845)	(17,931)
Administrative expenses	6	(7,604)	(7,604)
Impairment	11	(5,300,000)	(1,500,000)
Loss before tax	7	**(5,328,449)**	**(1,525,535)**
Taxation	10	5,405	5,817
Loss and total comprehensive loss for the year		**(5,323,044)**	**(1,519,718)**

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

Losses for both 2019 and 2018 are derived from continuing operations.

The notes on pages 14 to 25 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019	2018
		£	£
Non-current assets			
Investment in subsidiaries	11	-	-
Group relief receivable	12	10,257	8,653
TOTAL ASSETS		**10,257**	**8,653**
LIABILITIES			
Current liabilities			
Other financial liabilities	13	2,012,040	2,013,294
Total current liabilities		2,012,040	2,013,294
Non-current liabilities			
Other financial liabilities	13	41,691	15,789
Total non-current liabilities		41,691	15,789
TOTAL LIABILITIES		**2,053,731**	**2,029,083**
SHAREHOLDERS' EQUITY			
Called up share capital	14	17,239,224	11,939,224
Accumulated losses		(19,282,698)	(13,959,654)
SHAREHOLDERS' EQUITY		**(2,043,474)**	**(2,020,430)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10,257**	**8,653**

The notes on pages 14 to 25 form part of the Financial Statements.

These financial statements were approved by the Board of Directors on 15 April 2020 and were signed on its behalf by:

Leonora Daniel
Director
Company Registered Number: 05092305

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital	Accumulated Losses	Total Equity
	£	£	£
Balance at 1 January 2019	11,939,224	(13,959,654)	(2,020,430)
Net loss for the year	-	(5,323,044)	(5,323,044)
Total comprehensive loss for the year	-	(5,323,044)	(5,323,044)
Issue of share capital	5,300,000	-	5,300,000
Balance at 31 December 2019	**17,239,224**	**(19,282,698)**	**(2,043,474)**

	Share Capital	Accumulated Losses	Total Equity
	£	£	£
Balance at 1 January 2018	10,439,224	(12,439,936)	(2,000,712)
Net loss for the year	-	(1,519,718)	(1,519,718)
Total comprehensive loss for the year	-	(1,519,718)	(1,519,718)
Issue of share capital	1,500,000	-	1,500,000
Balance at 31 December 2018	**11,939,224**	**(13,959,654)**	**(2,020,430)**

The notes on pages 14 to 25 form part of the Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Cash flows from operating activities		
Loss before tax for the period	(5,328,449)	(1,525,535)
Adjustment for impairment	5,300,000	1,500,000
	(28,449)	(25,535)
Receipt of payment for Group Tax Relief	3,801	6,659
Increase / (decrease) in other financial liabilities	24,648	18,876
Net cash from operating activities	-	-
Cash flows from investing activities		
Investment in subsidiary	(5,300,000)	(1,500,000)
Net cash used in investing activities	**(5,300,000)**	**(1,500,000)**
Cash flows from financing activities		
Issue of shares	5,300,000	1,500,000
Net cash from financing activities	**5,300,000**	**1,500,000**
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 14 to 25 form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 £5.32 million for the year ended 31 December 2019 (31 December 2018: £1.52 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. The Company has considered that the impact of the Covid-19 Pandemic would be minimal as it is just a holding company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

STANDARDS AND INTERPRETATIONS

Standards and Interpretations effective in the current period

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

- IFRS 16 Leases: In January 2016 the IASB issued IFRS 16 'Leases' (IFRS 16) superseding IAS 17 'Leases' (IAS 17), IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Lease-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.
- IFRS 16 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. Under the IAS 17 lessee accounting model, companies were required to distinguish between finance leases, which were recognised on balance sheet, and operating leases, which were not. IFRS 16 introduced a single, on-balance sheet lessee accounting model and requires lessees to present a right-of-use asset and a corresponding lease liability on the balance sheet.
- IFRS 16 was effective for annual periods beginning on or after 1 January 2019.
- The Company does not have any leases and therefore the adoption of IFRS 16 on 1 January 2019 did not have an impact on the Company's financial position, results of operations or cash flows

- IFRIC 23: In June 2017, the IASB issued IFRIC 23 'Uncertainty over Income Tax Treatments' (IFRIC 23). IFRIC 23 clarifies the accounting for uncertainties in income taxes and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 was effective for annual periods beginning on or after 1 January 2019. The Company adopted IFRIC 23 on 1 January 2019. The adoption did not have an impact on the Company's financial position, results of operation or cash flows.

- Annual Improvements to IFRSs 2015-2017 Cycle: In December 2017, the IASB issued 'Annual Improvements to IFRSs 2015-2017 cycle' (Improvements to IFRSs 2015-2017). The Improvements to IFRSs 2015-2017 were effective for annual periods beginning on or after 1 January 2019. The Company adopted the Annual Improvements to IFRSs 2015-2017 Cycle on 1 January 2019. The adoption 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.

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform: In September 2019, the IASB issued 'Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform' (Amendments to IFRS 9, IAS 39 and IFRS 7) in order to address the financial reporting consequences of the interest rate benchmark reform in the period before the replacement of an existing interest rate benchmark with an alternative reference rate. The amendments are effective for annual periods beginning on or after 1 January 2020 with an early adoption permitted. The adoption on 1 January 2020 did not have an impact on the Company's financial position, results of operations or cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STANDARDS AND INTERPRETATIONS *(continued)*

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.

- Amendments to the definition of Business (IFRS 3): In October 2018, the IASB 'Definition of a Business '(Amendments to IFRS 3) to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. The adoption on 1 January 2020 did not have an impact on the Company's financial position, results of operations or cash flows

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

4. REVENUE

The Company earned no revenue in the year.

5. INTEREST EXPENSE

	2019	2018
	£	£
Interest payable	20,845	17,931
Total	**20,845**	**17,931**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. ADMINISTRATIVE EXPENSES

	2019	2018
	£	£
Other corporate expenses	7,604	7,604
Total	**7,604**	**7,604**

7. LOSS BEFORE TAXATION

	2019	2018
	£	£
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.

a) Related party assets and liabilities

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

Assets	**2019**	2018
	£	£
Fellow Credit Suisse group companies		
Group relief receivable	10,257	8,653
Total assets	**10,257**	**8,653**

Liabilities	**2019**	2018
	£	£
Subsidiary		
Other financial liabilities	41,691	15,789
Parent		
Other financial liabilities	2,004,436	2,005,690
Total liabilities	**2,046,127**	**2,021,479**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. RELATED PARTY TRANSACTIONS *(continued)*

Related party expense statement	2019	2018
	£	£
Interest expense	20,845	17,931

Related party income statement	2019	2018
	£	£
Corporation tax group relief	5,405	5,817

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 (2018: £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 (2018: nil).

10. TAXATION

a) Current tax

	2019	2018
	£	£
Current tax credit on loss in the year	(5,405)	(4,852)
Adjustments in respect to previous periods	-	(965)
Total tax benefit	**(5,405)**	**(5,817)**

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 19% (2018: 19%) as follows:

	2019	2018
	£	£
Loss on ordinary activities before taxation	**(5,328,449)**	**(1,525,535)**
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(1,012,405)	(289,852)
Non-deductible impairment	1,007,000	285,000
Adjustments to current tax in respect of previous periods	-	(965)
Income tax benefit for the year (note 10a)	**(5,405)**	**(5,817)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. OTHER FINANCIAL LIABILITIES

	2019	2018
	£	£
Accruals due to third parties	7,604	7,604
Amounts due to subsidiary	41,691	15,789
Amounts due to Parent	2,004,436	2,005,690
Other financial liabilities	**2,053,731**	**2,029,083**

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

	2019	2018
	£	£
Allotted, called-up and fully paid:		
75 'A' ordinary shares of £1 each	**75**	75
25 'B' ordinary shares of £1 each	**25**	25
17,239,124 'C' shares of £1 each	**17,239,124**	**11,939,124**
Total allotted, called-up and fully paid	**17,239,224**	**11,939,224**

'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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. TAXATION (continued)

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

In the UK budget announcement of 11 March 2020, the UK government announced its intention to maintain the UK corporation tax rate at 19% and the previously enacted legislation to reduce the tax rate to 17% with effect from 1 April 2020 would be repealed.

11. INVESTMENT IN SUBSIDIARIES

Company	Shares in Group undertakings £
Cost	
At 1 January 2019	13,740,000
Additions	5,300,000
At 31 December 2019	19,040,000

Impairment	Shares in Group undertakings £
At 1 January 2019	(13,740,000)
Provided in the year	(5,300,000)
At 31 December 2019	(19,040,000)

Net Book Value	Shares in Group undertakings £
At 1 January 2019	-
At 31 December 2019	-

The Company has impaired the carrying value of the investment held in its subsidiary by £5,300,000 (2018: £1,500,000). 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

	2019 £	2018 £
Group relief receivable	10,257	8,653
Total group relief receivable	**10,257**	**8,653**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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 2019 and 2018 the company does not have financial assets and liabilities measured at fair value.

2019

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	**Other amortised cost items**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Investments	-	-	-	-	-	-
Group relief receivable	10,257	-	-	10,257	-	10,257
Total	**10,257**	**-**	**-**	**10,257**	**-**	**10,257**
Financial liabilities						
Trade and other payables	-	49,295	-	49,295	-	49,295
Other liabilities	-	2,004,436	-	2,004,436	-	2,004,436
Total	**-**	**2,053,731**	**-**	**2,053,731**	**-**	**2,053,731**

2018

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	**Other amortised cost items**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Investments	-	-	-	-	-	-
Group relief receivable	8,653	-	-	8,653	-	8,653
Total	**8,653**	**-**	**-**	**8,653**	**-**	**8,653**
Financial liabilities						
Trade and other payables	-	23,393	-	23,393	-	23,393
Other liabilities	-	2,005,690	-	2,005,690	-	2,005,690
Total	**-**	**2,029,083**	**-**	**2,029,083**	**-**	**2,029,083**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. FINANCIAL ASSETS AND LIABILITIES *(continued)*

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

There were no (2018: no) transfers between level 1 and level 2 during the year.

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:

2019

	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	-	-	7,604	-	-	7,604
Other financial liabilities	2,004,436	-	-	-	41,691	2,046,127
Total financial liabilities	**2,004,436**	**-**	**7,604**	**-**	**41,691**	**2,053,731**

2018

	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		-	7,604	-	-	7,604
Other financial liabilities	2,005,690	-	-	-	15,789	2,021,479
Total financial liabilities	**2,005,690**	**-**	**7,604**	**-**	**15,789**	**2,029,083**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. FINANCIAL RISKS *(continued)*

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.

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 £16,236/ (£16,236) (2018: £16,246/ (£16,246)).

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 17,239,224 ordinary shares (2018: 11,939,224 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

Following the rapid global spread of the COVID-19 virus during the first quarter 2020, the UK government have introduced tight controls and travel bans as well as implemented measures which quickly restricted activity in large parts of the economy. COVID-19 is expected to have a significant negative effect on the world's economies. The principal activity of the Company is that of a holding company with respect to Oakwood Homeloans Limited ("the Subsidiary"), which derives its revenues from administration of UK residential mortgages for structured entities. There are priority payment rules that these entities must observe which should ordinarily ensure the subsidiary and other servicing partners are remunerated on an ongoing basis, albeit that they are dependent upon ongoing mortgage collections. Regulators have issued guidance to mortgage firms during March 2020 to support customers who are impacted by COVID-19. The economic slowdown, alongside implementing these measures to support customers could give rise to reductions in amounts collected by the structured entities which may impact the cash flow of the Company and the Subsidiary in 2020 and going forward.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. SUBSEQUENT EVENTS *(continued)*

The Company has considered that the impact of the Covid-19 Pandemic would be minimal as it is just a holding company.

In the UK budget announcement of 11 March 2020, the UK government announced its intention to maintain the UK corporation tax rate at 19% and the previously enacted legislation to reduce the tax rate to 17% with effect from 1 April 2020 would be repealed. This tax rate increase was enacted in March 2020.