# Oakwood Homeloans Holdings Limited

**Annual Report and Financial Statements**

**For the year ended 31 December 2020**

**Company Registration Number 05092305**

# Oakwood Homeloans Holdings Limited

## Company information

**Directors**

Leonora Daniel
Masashi Washida

**Secretary**

Mr Roger Lansdowne

**Independent Auditors**

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

**Registered office**

The Watermill
Broughton
Skipton
North Yorkshire
BD23 3AG
United Kingdom

## Strategic report
## For the year ended 31 December 2020

The directors present the strategic report for the year ended 31 December 2020.

### 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: 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 £1,017,128 (2019: £5,323,044). As at 31 December 2020, the Company had total assets of £9,423 (2019: £10,257), which comprise entirely of amounts receivable from the group loss relief negotiated with fellow group companies, and total shareholders' negative equity of £2,060,602 (2019:£2,043,474).

### Risks and Uncertainties

The principal risk facing the Company is the value of the recoverable amount of its investment in subsidiary. 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.

### Risk Relating to the Impact of Coronavirus Disease 2019 ("COVID-19")

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. During December 2020, in response to the COVID-19 pandemic, the UK government commenced a nationwide vaccination program and in February 2021 it announced a roadmap for the lifting of working and travel restrictions. The COVID-19 pandemic continues to have a significant impact on the economy and it remains unclear how the pandemic might evolve through 2021. Regulators issued guidance to mortgage firms during 2020 to support customers who were impacted by COVID-19. The associated economic slowdown, alongside implementing measures to continue 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 2021 and going forward. The priority payment rules that these entities must observe should ordinarily ensure that the Subsidiary and other servicing partners are remunerated on an ongoing basis, albeit that they are dependent upon ongoing mortgage collections.

### Capital Resources

During the year, the Company issued £1,000,000 additional share capital (2019: £5,300,000). 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 and future developments

The Company is intending to support its subsidiary to continue operations and meet its liabilities as they fall due. 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 23 June 2021 by:

Leonora Daniel,
Director

### International Financial Reporting Standards

Oakwood Homeloans Holdings Limited ('OHHL') 2020 annual financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and applicable law.

The financial statements were authorised for issue by the Directors on 23 June 2021.

As permitted by section 414C(11) of the Companies Act 2006, certain information is not shown in the Directors' Report because it is shown in the Strategic Report.

### 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 financial statements

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 £1,017,128 (2019: £5,323,044). The directors do not recommend the payment of a final dividend (2019: £nil). No dividends were paid or proposed for the year ended 31 December 2020 (2019: £nil).

### Directors

The Directors who held office at the date the financial statements were signed are listed on page 1.

There have been no changes to the directorate since 1 January 2020 and up to the date the financial statements were signed.

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 approval of the financial statements.

### Future developments

The Company is intending to support its subsidiary to continue operations and meet its liabilities as they fall due.

### Subsequent events

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023 from the existing rate of 19%.

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

### 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 pledged to uphold to international human rights-related agreements, including: Equator Principles, Principles for Responsible Investment and UN Global Compact.

The Company adopts a number of internal policies, commitments and controls which are already in place and help to eradicate modern slavery and human trafficking in the supply chain and across the business. In addition, the 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/humanrights.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent Auditor

During 2020, the Board appointed PricewaterhouseCoopers LLP ('PwC') as statutory auditors for the Company, effective for the financial year ended 31 December 2020.

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

On behalf of the Board

Leonora Daniel,
Director
The Watermill, Broughton
Skipton, North Yorkshire, BD23 3AG, United Kingdom
23 June 2021

## Independent auditors' report to the members of Oakwood Homeloans Holdings Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion, Oakwood Homeloans Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2020; the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

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

**Independence**

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

#### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

**Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## Responsibilities for the financial statements and the audit

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential for manual journal entries being recorded in order to manipulate financial performance. Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes to identify any significant or unusual transactions or other matters that could require further investigation;
- Identifying and, where relevant, testing journal entries;
- Challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Reviewing Board meeting minutes to identify any significant or unusual transactions or other matters that could require further investigation;
- Incorporating unpredictability in the selection of the nature, timing and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Use of this report**

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

### Other required reporting

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

Amena Shaista

Amena Shaista (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
*Chartered Accountants and Statutory Auditors*
London
24 June 2021

# Oakwood Homeloans Holdings Limited

## Statement of profit or loss and other comprehensive income
## For the year ended 31 December 2020

| | Note | 2020 £ | 2019 £ |
|---|---|---|---|
| **Revenue** | 4 | 0 | 0 |
| Interest expense | 5 | (12,145) | (20,845) |
| Administrative expenses | 6 | (9,000) | (7,604) |
| Impairment of investment in subsidiary | 11 | (1,000,000) | (5,300,000) |
| **Loss before tax** | 7 | (1,021,145) | (5,328,449) |
| Taxation | 10 | 4,017 | 5,405 |
| **Loss and total comprehensive loss for the year** | | (1,017,128) | (5,323,044) |

Losses for both 2020 and 2019 are derived from continuing operations.

The notes on pages 12 to 19 form an integral part of the Financial Statements.

## Statement of financial position
## As at 31 December 2020

| | Note | 2020<br>£ | 2019<br>£ |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investment in subsidiaries | 11 | 0 | 0 |
| Group relief receivable | 12 | 9,423 | 10,257 |
| **Total assets** | | 9,423 | 10,257 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Other financial liabilities | 13 | 2,070,025 | 2,012,040 |
| Total current liabilities | | 2,070,025 | 2,012,040 |
| **Non-current liabilities** | | | |
| Other financial liabilities | 13 | 0 | 41,691 |
| Total non-current liabilities | | 0 | 41,691 |
| **Total liabilities** | | 2,070,025 | 2,053,731 |
| **Total equity** | | | |
| Called up share capital | 14 | 18,239,224 | 17,239,224 |
| Accumulated losses | | (20,299,826) | (19,282,698) |
| **Total equity** | | (2,060,602) | (2,043,474) |
| **Total liabilities and total equity** | | 9,423 | 10,257 |

The notes on pages 12 to 19 form an integral part of the Financial Statements.

The financial statements on pages 8 to 19 were approved by the Board of Directors on 23 June 2021 and were signed on its behalf by:

Leonora Daniel,
Director
*Company Registered Number: 05092305*

# Oakwood Homeloans Holdings Limited

## Statement of changes in equity
## For the year ended 31 December 2020

| | 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 | 0 | (5,323,044) | (5,323,044) |
| Issue of share capital | 5,300,000 | - | 5,300,000 |
| At 31 December 2019 | 17,239,224 | (19,282,698) | (2,043,474) |

| | Share capital | Accumulated Losses | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| Balance at 1 January 2020 | 17,239,224 | (19,282,698) | (2,043,474) |
| Net loss for the year | - | (1,017,128) | (1,017,128) |
| Total comprehensive loss for the year | 0 | (1,017,128) | (1,017,128) |
| Issue of share capital | 1,000,000 | - | 1,000,000 |
| At 31 December 2020 | 18,239,224 | (20,299,826) | (2,060,602) |

The notes on pages 12 to 19 form an integral part of the Financial Statements.

# Oakwood Homeloans Holdings Limited

## Statement of cash flows
## For the year ended 31 December 2020

| | Note | 2020<br>£ | 2019<br>£ |
|---|---|---|---|
| **Cash flows generated from operating activities** | | | |
| Loss before tax for the year | | (1,021,145) | (5,328,449) |
| Adjustment for impairment | | 1,000,000 | 5,300,000 |
| | | (21,145) | (28,449) |
| Receipt of payment for group relief | | 4,851 | 3,801 |
| Increase in other financial liabilities | | 16,294 | 24,648 |
| Net cash generated from operations | | 0 | 0 |
| **Cash flows used in investing activities** | | | |
| Investment in subsidiary | | (1,000,000) | (5,300,000) |
| Net cash flow used in investing activities | | (1,000,000) | (5,300,000) |
| **Cash flows generated from financing activities** | | | |
| Issue of shares | | 1,000,000 | 5,300,000 |
| Net cash flow generated from financing activities | | 1,000,000 | 5,300,000 |
| Cash and cash equivalents at 1 January | | 0 | 0 |
| Net increase in cash and cash equivalents | | 0 | 0 |
| Cash and cash equivalents at 31 December | | 0 | 0 |

The notes on pages 12 to 19 form an integral part of the Financial Statements.

### 1. Reporting entity

Oakwood Homeloans Holdings Limited is a private company limited by shares, incorporated, domiciled and registered in England and Wales. 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 accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and applicable law.

**Basis of presentation**

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 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 £1.0 million for the year ended 31 December 2020 (31 December 2019: £5.3 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.

**Standards and Interpretations effective in the current period**

The following amendments to existing standards and IFRIC interpretations have been issued and endorsed by the UK Endorsement Board, are effective from 1 January 2020.

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

**IFRS 3**: In October 2018, the IASB issued '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 transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. The Company adopted the Amendments to IFRS 3 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

**IFRS 9, IAS 39 and IFRS 7:** Interest Rate Benchmark Reform:- Phase 1: 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. The Company adopted the Amendments to IFRS 9, IAS 39 and IFRS 7 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

### 2 . Significant accounting policies (continued)

**Standards and Interpretations endorsed by the UK Endorsement Board 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 been endorsed by the UK Endorsement Board.

**IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**: Interest Rate Benchmark Reform:-Phase 2: In August 2020, IASB Issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16: Interest Rate Benchmark Reform- Phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16) in order to address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual periods beginning on or after 1 January 2021. Earlier application is permitted. The amendments will not have a material impact to the Company's financial position, results of operation 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 banking 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 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 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. (2019: £nil)

### 5 . Interest expense

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Interest payable | 12,145 | 20,845 |

### 6 . Administrative expenses

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Other corporate expenses | 9,000 | 7,604 |

### 7 . Loss before tax

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Loss before taxation is stated after charging: | | |
| The following fees were payable by Oakwood Homeloans Limited to the auditor, PricewaterhouseCoopers LLP (2019: KPMG LLP) | 7,500 | 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 auditors. (2019:nil)

### 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 Credit Suisse AG and Credit Suisse Group AG, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland.

**a) Related party assets and liabilities**

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| **Assets** | | |
| **Fellow Credit Suisse group companies** | | |
| Group relief receivable | 9,423 | 10,257 |
| | 9,423 | 10,257 |

### 8 . Related party transactions (continued)

**a) Related party assets and liabilities (continued)**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Liabilities** | | |
| **Subsidiary** | | |
| Other financial liabilities | 60,035 | 41,691 |
| **Parent** | | |
| Other financial liabilities | 2,000,990 | 2,004,436 |
| | 2,061,025 | 2,046,127 |

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Related party expense statement** | | |
| **Parent** | | |
| Interest expense | (12,145) | (20,845) |
| **Related party income statement** | | |
| **Other** | | |
| Corporation tax group relief | 4,017 | 5,405 |

**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 (2019: £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 (2019: nil).

### 10 . Taxation

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **a) Current tax** | | |
| Current tax credit on loss for the year | (4,017) | (5,405) |
| Total tax credit | (4,017) | (5,405) |

**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% (2019 - 19%) as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Loss on ordinary activities before tax | **(1,021,145)** | **(5,328,449)** |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) : | (194,017) | (1,012,405) |
| Non-deductible impairment | 190,000 | 1,007,000 |
| Income tax credit for the year (note 10a) | (4,017) | (5,405) |

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

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023 from the existing rate of 19%.

## 11 . Investment in subsidiaries

| | Shares in group undertakings |
|---|---|
| **Cost** | **£** |
| **At 1 January 2020** | 19,040,000 |
| Additions | 1,000,000 |
| **At 31 December 2020** | 20,040,000 |
| | |
| **Impairment** | **£** |
| **At 1 January 2020** | (19,040,000) |
| Provided in the year | (1,000,000) |
| **At 31 December 2020** | (20,040,000) |
| | |
| **Net book value** | **£** |
| **At 31 December 2019** | 0 |
| **At 31 December 2020** | 0 |

The Company has impaired the carrying value of the investment held in its subsidiary by £1,000,000 (2019: £5,300,000). 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 | Type of 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. United Kingdom

## 12 . Group relief receivable

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Group relief receivable | 9,423 | 10,257 |
| | 9,423 | 10,257 |

## 13 . Other financial liabilities

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Accruals due to third parties | 9,000 | 7,604 |
| Amounts due to subsidiary | 60,035 | 41,691 |
| Amounts due to Parent | 2,000,990 | 2,004,436 |
| | 2,070,025 | 2,053,731 |

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 (Sterling Overnight Index Average (SONIA) + Credit Suisse's own internal liquidity spread) set and payable on a three monthly basis.

### 14 . Called up share capital

| | 2020 | 2020 | 2019 | 2019 |
|---|---|---|---|---|
| | No | £ | No | £ |
| **Allotted, called-up and fully paid:** | | | | |
| 'A' ordinary shares of £1 each | 75 | 75 | 75 | 75 |
| 'B' ordinary shares of £1 each | 25 | 25 | 25 | 25 |
| 'C' shares of £1 each | 18,239,124 | 18,239,124 | 17,239,124 | 17,239,124 |
| | 18,239,224 | 18,239,224 | 17,239,224 | 17,239,224 |

| | 2020 | 2020 | 2019 | 2019 |
|---|---|---|---|---|
| | No | £ | No | £ |
| **Allotted, but unissued:** | | | | |
| Deferred shares | 831,864 | 0 | 831,864 | 0 |
| | 831,864 | 0 | 831,864 | 0 |

**'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.

**Deferred shares**

The Company Articles provide for 831,864 Deferred Shares which are Authorised but unissued shares. These Deferred Shares do not carry any rights to participate in the profits or assets of the Company and shall carry no entitlement to attend, vote or receive notice of general meetings.

### 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 2020 and 2019 the company does not have financial assets and liabilities measured at fair value.

### 15 . Financial assets and liabilities (continued)

| As at 31 December 2020 | Carrying amount £ | Quoted market price Level 1 £ | Using observable inputs Level 2 £ | With significant unobservable inputs Level 3 £ | Total fair value Total £ |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Group relief receivable | 9,423 | 0 | 9,423 | 0 | 9,423 |
| **Total** | 9,423 | 0 | 9,423 | 0 | 9,423 |
| **Financial liabilities** | | | | | |
| Trade and other payables | 69,035 | 0 | 69,035 | 0 | 69,035 |
| Other liabilities | 2,000,990 | 0 | 2,000,990 | 0 | 2,000,990 |
| **Total** | 2,070,025 | 0 | 2,070,025 | 0 | 2,070,025 |

| As at 31 December 2019 | Carrying amount £ | Quoted market price Level 1 £ | Using observable inputs Level 2 £ | With significant unobservable inputs Level 3 £ | Total fair value Total £ |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Group relief receivable | 10,257 | 0 | 10,257 | 0 | 10,257 |
| **Total** | 10,257 | 0 | 10,257 | 0 | 10,257 |
| **Financial liabilities** | | | | | |
| Trade and other payables | 49,295 | 0 | 49,295 | 0 | 49,295 |
| Other liabilities | 2,004,436 | 0 | 2,004,436 | 0 | 2,004,436 |
| **Total** | 2,053,731 | 0 | 2,053,731 | 0 | 2,053,731 |

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

There were no (2019: 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.

## 16 . Financial risks (continued)

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

| As at 31 December 2020 | 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 | 0 | 0 | 9,000 | 0 | 0 | 9,000 |
| Other financial liabilities | 2,061,025 | 0 | 0 | 0 | 0 | 2,061,025 |
| | 2,061,025 | 0 | 9,000 | 0 | 0 | 2,070,025 |

| As at 31 December 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 | 0 | 0 | 7,604 | 0 | 0 | 7,604 |
| Other financial liabilities | 2,004,436 | 0 | 0 | 0 | 41,691 | 2,046,127 |
| | 2,004,436 | 0 | 7,604 | 0 | 41,691 | 2,053,731 |

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 £16,208 / (16,208) (2019: £16,236 / (£16,236).

**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 share capital of £18,239,224 (2019:£17,239,224) less retained losses of.£19,282,698 (2019:£20,299,826).

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

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023 from the existing rate of 19%.