

OAKWOOD HOMELOANS LIMITED

Directors' Report and Financial Statements For the year ended 31 December 2013

Registered number 5092310



Report and Financial Statements

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BOARD OF DIRECTORS

Leonora Daniel

Director



Victor Su

Director

COMPANY SECRETARY

Roger Lansdowne

Company Secretary

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present the strategic report for the year ended 31 December 2013

Principal activity

The principal activity of Oakwood Homeloans Limited (the "Company") is making arrangements and entering into regulated mortgage contracts, to provide administration of regulated mortgage contracts and facilitate the financing and realisation of mortgage assets along with related services which are incidental to activities of a mortgage lender, mortgage broker or administrator. The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

Business review

The statement of comprehensive income for the year is set out on page 8. Trading conditions continue to be challenging within the mortgage sector. The resulting loss for the year and the financial position at the year-end were considered satisfactory by the directors.

Results

The Company's loss for the year is £1,150,219 (2012: £1,556,845). As at 31 December 2013, the Company had total assets of £2,101,975 (2012: £1,477,893), which comprise mainly of cash balances held with the parent and total shareholders' equity of £1,829,200 (2012: £979,419).

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 customers.

Risks and Uncertainties

The risks facing the Company are liquidity risk, on cash balances, market risk and credit risk primarily on revenue and related receivables. 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 18 to the financial statements.

Capital Resources

During the period, the Company issued £0.1 million additional share capital (2012: £0.36 million) at a premium of £1.9m. The Company continues to closely monitor its capital and funding requirements and maintain an actively managed capital base to support the business risks.

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.
- Regulatory Capital: is reviewed by management on a continual basis to ensure compliance with regulatory capital requirements.
- Primary Servicer reporting: details of customer and servicing performance against targets are reviewed by management on a regular basis.

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.

Signed on behalf of the Board of Directors on 25 April 2014 by:



Leonora Daniel
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") and applicable law.

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Approved by the Board of Directors on 25 April 2014 and signed on its behalf by



Leonora Daniel
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

International Financial Reporting Standards

Oakwood Homeloans Limited ('OHL') 2013 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 25 April 2014

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.

Results and dividends

The Company's loss for the year is £1,150,219 (2012: £1,556,845). The directors do not recommend the payment of a final dividend (2012: £nil).

Directors

The names of the Directors as at the date of this report are set out on page 2. Changes in the directorate since 31 December 2012 and up to the date of this report are as follows:

Eugene Gorelik (resigned on 22 April 2013)
Bruce Kaiserman (resigned on 27 March 2013)
Peter Stevens (resigned on 7 November 2013)
Victor Su (appointed on 7 November 2013)

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.

Disclosure of information to Auditors

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

Auditors

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of their business. The Board has decided to put KPMG LLP forward to be appointed as auditor and a resolution concerning its appointment will be put to the forthcoming AGM of the company.

By order of the Board



Leonora Daniel
Director

The Old Sawmill, Broughton Hall Business Park
Broughton, Skipton
North Yorkshire
BD23 3AE
United Kingdom

25 April 2014

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

We have audited the financial statements of Oakwood Homeloans Limited for the year ended 31 December 2013 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.



Simon Ryder (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
25 April 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Revenue	4	3,036,117	3,282,953
Cost of sales	5	(4,094,249)	(4,439,436)
Gross loss		(1,058,132)	(1,156,483)
Administrative expenses	6	(443,638)	(405,882)
Operating loss		(1,501,770)	(1,562,365)
Other operating income	7	3,113	5,520
Loss before tax	8	(1,498,657)	(1,556,845)
Taxation	11	348,438	-
Loss for the year		(1,150,219)	(1,556,845)

There were no items of other comprehensive income during the period

Losses for both 2013 and 2012 are derived from continuing operations

The notes on pages 12 to 22 form an integral part of the Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
ASSETS			
Current assets			
Cash and cash equivalents	12	1,622,943	1,370,791
Group relief receivable		348,438	-
Trade and other receivables	13	2,790	5,940
Prepayments and accrued income	14	28,359	30,911
Total current assets		2,002,530	1,407,642
Non-current assets			
Trade and other receivables	13	99,445	70,251
Total non-current assets		99,445	70,251
TOTAL ASSETS		2,101,975	1,477,893
LIABILITIES			
Current liabilities			
Trade and other payables		15,357	178,283
Accruals		196,995	274,836
Provisions	15	32,011	26,920
Total current liabilities		244,363	480,039
Non-current liabilities			
Provisions	15	28,412	18,435
Total non-current liabilities		28,412	18,435
TOTAL LIABILITIES		272,775	498,474
SHAREHOLDERS' EQUITY			
Called up share capital	17	1,000,000	900,000
Share premium		4,940,000	3,040,000
Retained earnings		(4,110,800)	(2,960,581)
TOTAL SHAREHOLDERS' EQUITY		1,829,200	979,419
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,101,975	1,477,893

The notes on pages 12 to 22 form part of the Financial Statements

These financial statements were approved by the Board of Directors on 25 April 2014 and were signed on its behalf by



Leonora Daniel
Director
Company Registered Number 5092310

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Share Capital	Share Premium	Retained Earnings	Total Equity
	£	£	£	£
Balance at 1 January 2013	900,000	3,040,000	(2,960,581)	979,419
Net loss for the year	-	-	(1,150,219)	(1,150,219)
Total comprehensive loss for the year	-	-	(1,150,219)	(1,150,219)
Issue of share capital	100,000	1,900,000	-	2,000,000
Balance at 31 December 2013	1,000,000	4,940,000	(4,110,800)	1,829,200

	Share Capital	Share Premium	Retained earnings	Total Equity
	£	£	£	£
Balance at 1 January 2012	540,000	1,600,000	(1,403,736)	736,264
Net loss for the year	-	-	(1,556,845)	(1,556,845)
Total comprehensive loss for the year	-	-	(1,556,845)	(1,556,845)
Issue of share capital	360,000	1,440,000	-	1,800,000
Balance at 31 December 2012	900,000	3,040,000	(2,960,581)	979,419

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
Cash flows from operating activities		
Loss after tax for the period	(1,150,219)	(1,556,845)
Decrease/(increase) in group relief receivables	(348,438)	-
Decrease/(increase) in trade and other receivables	(26,044)	13,903
Decrease in prepayments and accrued income	2,552	4,540
(Decrease)/increase in trade and other payables	(162,926)	94,647
(Decrease)/increase in accruals	(77,841)	50,283
Increase/(decrease) in provisions	15,068	(33,930)
Net cash used in operating activities	(1,747,848)	(1,427,402)
Cash flows from financing activities		
Issue of shares	2,000,000	1,800,000
Net cash from financing activities	2,000,000	1,800,000
Net increase/(decrease) in cash and cash equivalents	252,152	372,598
Cash and cash equivalents at 1 January	1,370,791	998,193
Cash and cash equivalents at 31 December	1,622,943	1,370,791

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. REPORTING ENTITY

The financial statements are prepared for Oakwood Homeloans Limited. The principal activity of the Company is making arrangements and entering into regulated mortgage contracts, to provide administration of regulated mortgage contracts and facilitate the financing and realisation of mortgage assets along with related services which are incidental to activities of a mortgage lender, mortgage broker or administrator. As at 31 December 2013 the Company is a wholly owned subsidiary of Oakwood Homeloans Holdings Limited and its ultimate parent company is Credit Suisse Group AG. Credit Suisse Group AG prepares consolidated financial statements in accordance with US Generally Accepted Accounting Principles.

Oakwood Homeloans Limited is a limited company incorporated and domiciled in the United Kingdom. The Company's registered office is

The Old Sawmill
Broughton Hall Business Park
Broughton
Skipton
North Yorkshire
BD23 3AE
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'). 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.

After making enquiries of Credit Suisse AG, the Directors of the Company have received confirmation that Credit Suisse AG will ensure that the Company maintains a sound financial position and is able to meet its debt obligations for the foreseeable future. Accordingly the Directors have prepared these accounts on a going concern basis.

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

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income In June 2011, the IASB issued "Presentation of Items of Other Comprehensive Income" (Amendments to IAS 1). The amendments require entities to group together items within Other Comprehensive Income that will and will not subsequently be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in Other Comprehensive Income and profit or loss should be presented as either a single statement or two consecutive statements. The amendments impact presentation only, and therefore the adoption of the amendments on 1 January 2013 did not have an impact on the Company's financial position, results of operation or cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STANDARDS AND INTERPRETATIONS

Standards and Interpretations effective in the current period

IFRS 13 Fair Value Measurement In May 2011, the IASB issued IFRS 13 "Fair Value Measurement" (IFRS 13). IFRS 13 defines fair value, sets out a framework for measuring fair value and requires certain disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements, except in specified circumstances. In addition, IFRS 13 replaces and expands the disclosure requirements about fair value measurements in other IFRSs. Please refer to Note 17 for further information.

IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities In December 2011, the IASB issued amendments to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities" (IFRS 7). The amendments require disclosures about the effect or potential effects of offsetting financial assets and financial liabilities and related arrangements on an entity's financial position. The amendments to IFRS 7 relate to disclosure only and therefore did not have an impact on the Company's financial position, results of operation or cash flows.

Annual Improvements to IFRS 2009-2011 Cycle In May 2012, The IASB issued "Annual Improvements to IFRSs 2009-2011 Cycle" (Improvements to IFRSs), which contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. The Improvements to IFRS comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual standards. The adoption of the Improvements to IFRS on 1 January 2013 did not have an impact on the Company's financial position, results of operation or cash flows.

Standards and Interpretations endorsed by the EU and not yet effective

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

IFRS 12 Disclosures of Interests in Other Entities In May 2011, the IASB issued IFRS 12 "Disclosure of Interests in Other Entities" (IFRS 12). IFRS 12 requires entities to disclose information that enables users of the financial statements to evaluate the nature of and any associated risks of its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. IFRS 12 requires certain disclosures, for subsidiaries, joint arrangements and associates and introduces new requirements for unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after 1 January 2013, however, the EU requires adoption for annual periods beginning on or after 1 January 2014.

As IFRS 12 requires disclosures only, the adoption thereof on 1 January 2014 did not have a material impact on the Company's financial position, results of operation or cash flows.

IAS 32 Offsetting Financial Assets and Financial Liabilities In December 2011, the IASB issued amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities" (IAS 32). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 'Financial Instruments - Presentation'. The amendments are effective for annual periods beginning on or after 1 January 2014. The adoption of IAS 32 on 1 January 2014, did not have a material impact on the Company's financial position, results of operation or cash flows.

Transition guidance for IFRS 10, IFRS 11 and IFRS 12 In June 2012, the IASB issued "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities, Transition Guidance" (Amendments to IFRS 10, IFRS 11 and IFRS 12). The amendments are intended to provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, by "limiting the requirement to provide adjusted comparative information to only the preceding comparative period". Also, amendments were made to IFRS 11 and IFRS 12 to eliminate the requirement to provide comparative information for periods prior to the immediately preceding period. The Amendments to IFRS 10, IFRS 11 and IFRS 12 are effective for annual periods beginning on or after 1 January 2013. The Company has adopted the requirements of this amendment with the provisions of IFRS 10, IFRS 11 and IFRS 12 as at 1 January 2014. As the transition guidance is clarifications to IFRS 10, 11, 12, the impact is included in the adoption of the standards respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

IFRS 9 Financial Instruments In November 2009 the IASB issued IFRS 9 "Financial Instruments" (IFRS 9) covering the classification and measurement of financial assets which introduces new requirements for classifying and measuring financial assets. In October 2010, the IASB reissued IFRS 9, which incorporated new requirements on the accounting for financial liabilities. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Company is currently evaluating the impact of adopting IFRS 9.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) In October 2012, the IASB issued "Investment Entities Amendments to IFRS 10, IFRS 12 and IAS 27" (Investment Entities Amendment). Under IFRS 10, reporting entities were required to consolidate all investees they control, however the Investment Entities Amendment provides an exception and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them.

Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle In December 2013, the IASB issued both "Annual Improvements to IFRSs Cycle 2010-2012" and "Annual Improvements to IFRSs Cycle 2011-2013" (Improvements to IFRSs), which contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. The Improvements to IFRSs are effective for annual periods beginning on or after 1 July 2014. The Company is currently evaluating the impact of adopting these Improvements to IFRSs.

The accounting policies have been applied consistently.

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.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recorded at fair value and subsequently recorded at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The majority of the receivables are intercompany.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH THE PROFIT OR LOSS

The Credit Suisse group classifies certain financial assets and liabilities as either held for trading or designated at fair value through profit or loss. Financial assets and liabilities with either classification are carried at fair value. Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value of an instrument, the Credit Suisse group maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Where the fair value is not determined on quoted price in an active market for an identical asset or liability or on a valuation technique that uses data from observable inputs, then reserves are established for unrealised gains or losses evident at the inception of the contracts so that no gain or loss is recorded at inception. Such reserves are amortised to income over the life of the instrument or released into income when observable inputs becomes available. Related realised and unrealised gains and losses are included in 'Net gains/ (losses) from financial assets/liabilities at fair value through profit or loss'.

INTEREST INCOME

Interest income includes interest income on the Company's short-term and long-term cash deposits. Interest income is accrued.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

TAXATION

Income tax on the profit or loss for the year comprises current and deferred tax

Tax is recognised in the Statement of 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 Comprehensive Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of 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 Income for the periods presented is included in Note 11 Income Tax.

PROVISIONS

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event which can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. The expense recognised when provisions are established, is recorded in 'Administrative expenses' in the Statement of Comprehensive Income. Movement in provisions are set out in note 15.

CONTINGENT LIABILITIES

Contingent liabilities are either 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.

Management make estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. Charges, other than those taken periodically for costs of defence, are not established for matters when losses cannot be reasonably estimated.

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 provision for future insurance refunds within the financial statements are prudent, reasonable and consistently applied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

4. REVENUE

The total revenue of the Company for the year was derived from its principal activity wholly undertaken in the United Kingdom. The Company earns servicing and sundry fees and commission income arising from retained mortgage books on an on-going basis.

5. COST OF SALES

The Company pays servicing and sundry fees and commission expenditure in respect to its retained mortgage books on an on-going basis.

6. ADMINISTRATIVE EXPENSES

	2013	2012
	£	£
Other corporate expenses	443,638	405,882
Total	443,638	405,882

7. INTEREST INCOME

	2013	2012
	£	£
Bank interest receivable	3,113	5,520
Total	3,113	5,520

8. LOSS BEFORE TAXATION

	2013	2012
	£	£
Loss before taxation is stated after charging		
Auditor's remuneration for		
Audit of these financial statements	6,338	12,675

9. RELATED PARTY TRANSACTIONS

The Company's immediate parent undertaking is Oakwood Homeloans Holdings Limited, a company incorporated in the United Kingdom. Copies of the financial statements of the immediate parent company can be obtained from Oakwood Homeloans Holdings Limited, The Old Sawmill, Broughton Hall Business Park, Broughton, Skipton, North Yorkshire, BD23 3AE, United Kingdom.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9. RELATED PARTY TRANSACTIONS (*continued*)

a) Related party assets and liabilities

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 earns income from the ultimate funding entities which own the beneficial and economic interest in the mortgage portfolios that the Company has sourced. In addition, a short term deposit was also placed with a group company

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

Assets	2013 £	2012 £
Parent		
Trade and other trade receivables	79,255	60,251
Fellow Credit Suisse group companies		
Interest bearing deposit	1,590,000	1,100,000
Group relief receivable	348,438	-
Trade and other trade receivables	-	3,468
Other		
Trade and other trade receivables	2,790	2,472
Total assets	1,672,045	1,166,191
Related party income statement	2013 £	2012 £
Fellow Credit Suisse group companies		
Trading income	116,830	123,447
Interest income	3,113	5,520
Group relief receivable	348,438	-
Other		
Trading income	2,676,893	2,876,343

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 (2012 £ 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

10. EMPLOYEE INFORMATION

The Company had no employees during the year (2012 nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

11. TAXATION

a) Analysis of benefit in the year

	2013 £	2012 £
Tax benefit based on the loss for the year at a rate of 23.25% (2012: 24.5%) is		
UK corporation tax		
Current tax credit on loss in the year	(348,438)	-
Total	(348,438)	-

b) Factors affecting tax benefit for the year

The tax benefit for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(1,498,657)	(1,556,845)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25 (2012: 24.5%)	(348,438)	(381,427)
Effects of:		
Group relief surrendered for nil consideration	-	381,427
Current tax benefit for the year (Note 11a)	(348,438)	-

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

The UK corporation tax rate reduced from 24% to 23% effective from 1 April 2013 and reduced to 21% on 1 April 2014. A further reduction in UK corporation tax rate is scheduled to take effect from and 1 April 2015 (to 20%).

12. CASH AND CASH EQUIVALENTS

	2013 £	2012 £
Cash at bank	32,943	270,791
Cash deposits with other group entities	1,590,000	1,100,000
Total cash and cash equivalents	1,622,943	1,370,791

Cash at bank relate to accounts held with Barclays Bank Plc. Cash deposits relate to cash placed with other Credit Suisse group entities for the purpose of liquidity management. The fair value of cash and cash equivalents approximates the book value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13. TRADE AND OTHER RECEIVABLES

	2013 £	2012 £
Trade receivables	2,790	5,940
Other receivables	99,445	70,251
Total trade and other receivables	102,235	76,191

14. PREPAYMENTS AND ACCRUED INCOME

	2013 £	2012 £
Prepayments	9,921	9,131
Accrued Income	18,438	21,780
Total prepayments and accrued income	28,359	30,911

15. PROVISIONS

	Insurance commission £	Total £
Balance at 1 January 2013	45,355	45,355
Provisions used during the year	(31,796)	(31,796)
Provisions established during the year	46,864	46,864
Balance at 31 December 2013	60,423	60,423

When mortgage customers do not provide evidence of buildings insurance cover, the Company arranges Lender Insurance Only (LIO) insurance in place of the customers own cover to protect the Company from uninsured secured property loss risks. If a mortgage customer subsequently provides proof of existing buildings insurance cover, the premiums and commissions previously charged for the LIO insurance may be refunded. The Company maintains a provision for future refunds. This provision is based on historical experience with most refunds occurring within a short period of time from a property being placed onto the insurance program however there are uncertainties relating to both timing and amount of refund activity.

16. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called-up and fully paid 1,000,000 ordinary shares (2012 900,000 shares) of £1 each	1,000,000	900,000

During the year the Company issued 100,000 Ordinary shares of £1 each (2012 £1), at a premium of £19 each per share for a total cash consideration of £2,000,000 (2012 £1,800,000)

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

The table below analyses financial instruments by valuation method. 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).

2013

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	Other financial assets/liabilities	Level 1	Level 2	Level 3	Total
Financial assets						
Trade receivables	2,790	-	-	2,790	-	2,790
Group relief receivable	348,438	-	-	348,438	-	348,438
Cash and cash equivalents	-	1,622,943	1,622,943	-	-	1,622,943
Total	351,228	1,622,943	1,622,943	351,228	-	1,974,171
Financial liabilities						
Trade and other payables	-	15,357	-	15,357	-	15,357
Other liabilities	-	-	-	-	-	-
Total	-	15,357	-	15,357	-	15,357

2012

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	Other financial assets/liabilities	Level 1	Level 2	Level 3	Total
Financial assets						
Trade receivables	5,940	-	-	5,940	-	5,940
Cash and cash equivalents	-	1,370,791	1,370,791	-	-	1,370,791
Total	5,940	1,370,791	1,370,791	5,940	-	1,376,731
Financial liabilities						
Trade and other payables	-	178,283	-	178,283	-	178,283
Other liabilities	-	-	-	-	-	-
Total	-	178,283	-	178,283	-	178,283

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

18. FINANCIAL RISKS

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

- Liquidity risk
- Credit risk
- Market risk
- Interest rate 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 short term cash deposits and it has no major liabilities to fund (either on or off balance sheet).

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.

2013	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 £
Provisions	8,003	5,155	18,853	28,412	-	60,423
Accruals	119,043	39,000	38,951	-	-	196,994
Trade payables	15,357	-	-	-	-	15,357
Total financial liabilities	142,403	44,155	57,804	28,412	-	272,774

2012	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 £
Provisions	5,928	5,248	15,744	18,435	-	45,355
Accruals	259,626	-	15,210	-	-	274,836
Trade payables	-	178,283	-	-	-	178,283
Total financial liabilities	265,554	183,531	30,954	18,435	-	498,474

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 clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company's working capital, for day-to-day expenses, is held with Credit Suisse AG. Therefore the maximum exposure to credit risk that the Company has is £2,073,616 comprising £32,943 (2012: £270,791) of cash and cash equivalents held with Barclays Bank Plc, £1,590,000 (2012: £1,100,000) of deposit held with Credit Suisse AG, £348,438 (2012: £nil) of group relief receivable and £102,235 (2012: £79,191) of trade and other receivables. The majority of trade receivables are intercompany or related parties and are settled within 3 months and therefore are considered as low risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

18. FINANCIAL RISKS (*continued*)

Maximum exposure to credit risk	2013	2012
	£	£
Cash equivalents held with Barclays Bank Plc	32,943	270,791
Deposit held with Credit Suisse AG	1,590,000	1,100,000
Group relief receivable	348,438	-
Trade and other receivables	102,235	79,191
Maximum exposure to credit risk	2,073,616	1,449,982

Credit risk (*continued*)

- The Company does not directly provide loans or any form of financing to its clients
- The Company does not hold any forms of investments other than cash deposits

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 Sterling.

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. As the Company does not hold any investments other than very short term fixed rate cash deposits, and has no borrowing, it is not exposed to movements in interest rates.

A change of 50 basis points in interest rates at the year-end would have increased/(decreased), equity and profit or loss by £6,228 / (£6,228) (2012 £5,175 / (£5,175)). This calculation assumed that the change occurred at the year end and had been applied to risk exposures existing at that date and is stated net of income tax assuming the corporation tax rate applicable during the year of 23.25% (2012 24.5%).

19. CAPITAL MANAGEMENT

The capital of the Company is represented by 1,000,000 ordinary shares (2012 900,000 ordinary shares)

The Company's lead regulator, the Financial Conduct Authority (FCA), sets and monitors capital requirements for the Company. In implementing current capital requirements the FCA requires the Company to have capital in excess of its capital requirements.

The capital balances and capital requirements are monitored on a regular basis by the regulatory reporting departments and 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.

The Company has complied with all externally imposed capital requirements throughout the year.

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

20. SUBSEQUENT EVENTS

There are no subsequent events to be reported.