OAKWOOD HOMELOANS LIMITED

Annual Report and Financial Statements
For the year ended 31 December 2014

Registered number 5092310

Report and Financial Statements

Contents

BOARD OF DIRECTORS

Leonora Daniel	Director
Victor Su	Director

COMPANY SECRETARY

Roger Lansdowne	Company Secretary

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report for the year ended 31 December 2014.

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 the activities of a mortgage lender, mortgage broker or administrator. The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

Review of business

The Statement of Profit or Loss and Other 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.

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.

Results

The Company's loss for the year is £1,303,762 (2013: £1,150,219). As at 31 December 2014, the Company had total assets of £2,016,120 (2013: £2,101,975), which comprise mainly of cash balances held with Credit Suisse group companies, and amounts receivable from the group loss relief negotiated with fellow group companies. Total shareholders' equity was £1,775,438 (2013: £1,829,200).

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 20 to the financial statements.

Capital Resources

During the period, the Company issued £1.25 million additional share capital (2013: £0.1 million issued 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. Credit Suisse AG, Zurich has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due.

Strategy

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

Signed on behalf of the Board of Directors on 24 April 2015 by:

Leonora Daniel,
Director.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

International Financial Reporting Standards

Oakwood Homeloans Limited 2014 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 24 April 2015.

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 £1,303,762 (2013: £1,150,219). The directors do not recommend the payment of a final dividend (2013: £nil).

Directors

The Directors who held office during the year and up to the date of this report are listed on page 3.

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

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

Statement of directors' responsibilities

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.

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

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

By order of the Board

Leonora Daniel
Director

The Watermill
Broughton
Skipton
North Yorkshire
BD23 3AG
United Kingdom

24 April 2015

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 2014 set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 2014 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.

D Rogers (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
24 April 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Revenue	4	**2,780,195**	**3,036,117**
Cost of sales	5	(4,065,791)	(4,094,249)
Gross loss		(1,285,596)	(1,058,132)
Administrative expenses	6	(375,168)	(443,638)
Operating loss		**(1,660,764)**	**(1,501,770)**
Interest income	7	132	3,113
Loss before tax	8	**(1,660,632)**	**(1,498,657)**
Taxation	12	356,870	348,438
Loss and total comprehensive income for the year		**(1,303,762)**	**(1,150,219)**

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

Losses for both 2014 and 2013 are derived from continuing operations.

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
ASSETS			
Non-current assets			
Trade and other receivables	13	121,727	99,445
Total non-current assets		121,727	99,445
Current assets			
Cash and cash equivalents	14	1,164,096	1,622,943
Group relief receivable	15	705,308	348,438
Trade and other receivables	13	3,116	2,790
Prepayments and accrued income	16	21,873	28,359
Total current assets		1,894,393	2,002,530
TOTAL ASSETS		**2,016,120**	**2,101,975**
LIABILITIES			
Current liabilities			
Trade and other payables		54,879	15,357
Accruals		149,436	196,995
Provisions	17	17,835	32,011
Total current liabilities		222,150	244,363
Non-current liabilities			
Provisions	17	18,532	28,412
Total non-current liabilities		18,532	28,412
TOTAL LIABILITIES		**240,682**	**272,775**
SHAREHOLDERS' EQUITY			
Called up share capital	18	2,250,000	1,000,000
Share premium		4,940,000	4,940,000
Accumulated losses		(5,414,562)	(4,110,800)
TOTAL SHAREHOLDERS' EQUITY		**1,775,438**	**1,829,200**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,016,120**	**2,101,975**

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

These financial statements were approved by the Board of Directors on 24 April 2015 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 2014

	Share Capital	Share Premium	Accumulated Losses	Total Equity
	£	£	£	£
Balance at 1 January 2014	1,000,000	4,940,000	(4,110,800)	1,829,200
Net loss for the year	-	-	(1,303,762)	(1,303,762)
Total comprehensive loss for the year	-	-	(1,303,762)	(1,303,762)
Issue of share capital	1,250,000	-	-	1,250,000
Balance at 31 December 2014	**2,250,000**	**4,940,000**	**(5,414,562)**	**1,775,438**

	Share Capital	Share Premium	Accumulated Losses	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**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
Cash flows from operating activities		
Loss before tax for the period	(1,660,632)	(1,498,657)
	(1,660,632)	(1,498,657)
(Increase) in trade and other receivables	(22,608)	(26,044)
Decrease in prepayments and accrued income	6,486	2,552
Increase/(decrease) in trade and other payables	39,522	(162,926)
(Decrease) in accruals	(47,559)	(77,841)
(Decrease)/increase in provisions	(24,056)	15,068
Net cash used in operating activities	**(1,708,847)**	**(1,747,848)**
Cash flows from financing activities		
Issue of shares	1,250,000	2,000,000
Net cash from financing activities	**1,250,000**	**2,000,000**
Net (decrease)/increase in cash and cash equivalents	**(458,847)**	**252,152**
Cash and cash equivalents at 1 January	**1,622,943**	**1,370,791**
Cash and cash equivalents at 31 December	**1,164,096**	**1,622,943**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. REPORTING ENTITY

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 the activities of a mortgage lender, mortgage broker or administrator. As at 31 December 2014 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 Watermill
Broughton
Skipton
North Yorkshire
BD23 3AG
United Kingdom

2. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

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

BASIS OF PREPARATION

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

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

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

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the Company had incurred a loss of £1.3 million for the year ended 31 December 2014 (31 December 2013: £1.2 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STANDARDS AND INTERPRETATIONS

Standards and Interpretations effective in the current period

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

IFRS 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. 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. The disclosures required by IFRS 12 are included in Note 11 – Interests in Other Entities.

IAS 27 Separate Financial Statements: In May 2011, the IASB issued an amended version of IAS 27 "Separate Financial Statements" (IAS 27). IAS 27 outlines the accounting and disclosure requirements for separate financial statements. The adoption of IAS 27 on 1 January 2014 did not have an impact on the Company's financial position, results of operations 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 amended IAS 32 restricts offsetting on the Statement of Financial Position to only those arrangements in which a right of set-off exists that is unconditional and legally enforceable, in the normal course of business and in the event of the default and bankruptcy or insolvency of the Company and its relevant counterparties and for which the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. The amendments also provide incremental guidance for determining when gross settlement systems result in the functional equivalent of net settlement. As a result of the adoption of the amendments, the Company does not net transactions where a legal opinion meeting the above criteria has not been obtained. The adoption on 1 January 2014, did not have an impact on total assets, total liabilities, total equity, net profit or earnings per share.

Standards and Interpretations endorsed by the EU and not yet effective

Annual Improvements to IFRSs 2011-2013 Cycle: In December 2013, the IASB issued "Annual Improvements to IFRSs Cycle 2011-2013" (Improvements to IFRSs 2011-2013), 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.

Annual Improvements to IFRSs 2010-2012 Cycle: In December 2013, the IASB issued "Annual Improvements to IFRSs Cycle 2010-2012" (Improvements to IFRSs 2010-2012), which are effective for annual periods beginning on or after 1 July 2014. When endorsed, the adoption of the Improvements to IFRSs 2010-2012 will not have an impact on the Company's financial position, results of operations or cash flows.

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

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

IFRS 9 Financial Instruments: In November 2009 the IASB issued IFRS 9 "Financial Instruments" (IFRS 9) covering the classification and measurement of financial assets which introduces new requirements for classifying and measuring financial assets. In October 2010, the IASB reissued IFRS 9, which incorporated new requirements on the accounting for financial liabilities. In July 2014, the IASB issued IFRS 9 as a complete standard. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 is effective for annual periods begininng on or after 1 January 2018. The Company is currently evaluating the impact of adopting IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STANDARDS AND INTERPRETATIONS *(continued)*

Standards and Interpretations not endorsed by the EU and not yet effective *(continued)*
IFRS 15 Revenue from Contracts with Customers: In May 2014, the IASB issued "Revenue from Contracts with Customers" (IFRS 15). IFRS 15 establishes a single, comprehensive framework for revenue recognition. The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 also includes disclosure requirements to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017. The Company is currently evaluating the impact of adopting IFRS 15.

Amendments to IAS 27: Equity Method in Separate Financial Statements: In August 2014 the IASB issued "Equity Method in Separate Financial Statements". The Amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The Amendments to IAS 27 are effective for annual periods beginning on or after 1 January 2016. The Company is currently evaluating the impact of adopting the Amendments to IAS 27.

Annual Improvements to IFRS s 2012-2014 Cycle: In September 2014, the IASB issued "Annual Improvements to IFRSs 2012-2014 cycle" (Improvements to IFRSs 2012-2014). The Improvements to IFRSs 2012-2014 are effective for annual periods beginning on or after 1 January 2016. The Company is currently evaluating the impact of adopting these Improvements to IFRSs.

Investment entities; Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28); In December 2014, the IASB issued Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The Amendments address issues that have arisen in relation to the exemption from consolidation for investment entities. The Amendments are effective for annual periods beginning on or after 1 January 2016. The Company is currently evaluating the impact of adopting the Amendments to IFRS 10, IFRS 12 and IAS 28.

Disclosure Initiative (Amendments to IAS 1): In December 2014, the IASB issued Amendments to IAS 1 as part of their Disclosure Initiative. The Amendments clarify guidance regarding materiality, notes to the financial statements and the presentation of the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive income. The Amendments will allow entities to use more judgement when preparing and presenting financial statement.

The Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. As the Amendments to IAS 1 impact disclosures only, there will be no impact to the Company's financial position, results of operation or cash flows.

The accounting policies have been applied consistently.

REVENUE
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, stated net of discounts and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity.

COSTS OF SALES
Costs of sales has been recognised on an accrual basis.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recorded at fair value, plus any directly attributable transaction costs and subsequently are amortised on an effective interest method, less impairment losses. In the event of an impairment loss the effective interest will be re-estimated. When calculating the effective interest, the Company estimates cash flows considering all contractual terms of the financial instruments including premiums, discounts, fees and transactions costs but not future credit losses. The majority of the receivables are intercompany.

INTEREST INCOME

Interest income includes interest income on the Company's short-term and long-term cash deposits. Interest income 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 12 Taxation.

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 Profit or Loss and Other Comprehensive Income. Movement in provisions are set out in note 17.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STRUCTURED ENTITIES

As part of normal business, the Company engages in various transactions that include entities which are considered structured entities. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Transactions with structured entities are generally executed to facilitate securitisation activities or to meet specific client needs, such as providing liquidity or investment opportunities, and, as part of these activities, the Company may hold interests in the structured entities. If the Company controls the structured entity then that entity is regarded as a subsidiary. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company discloses information about significant judgements and assumptions made in determining whether the Company has control over another entity including structured entities. The Company also provides disclosures with regards to unconsolidated structured entities such as when it sponsors or has an interest in such an entity.

Structured entities which the Company is exposed to are not consolidated as these are consolidated by other entities, and albeit the Company has servicing contracts with these entities, these do not give rise to access to assets, or control of any description of those entities.

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.

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

	2014	2013
	£	£
Other corporate expenses	375,168	443,638
Total	**375,168**	**443,638**

7. INTEREST INCOME

	2014	2013
	£	£
Bank interest receivable	132	3,113
Total	**132**	**3,113**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. LOSS BEFORE TAXATION

	2014	2013
	£	£
Loss before taxation is stated after charging		
Auditior's remuneration for:		
Audit of these financial statements	**6,338**	6,338

9. 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 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 Watermill, Broughton, Skipton, North Yorkshire, BD23 3AG, 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.

a) Related party assets and liabilities

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	**2014**	2013
	£	£
Parent		
Trade and other trade receivables	**101,537**	79,255
Fellow Credit Suisse group companies		
Interest bearing deposit	**1,150,000**	1,590,000
Group relief receivable	**705,308**	348,438
Trade and other trade receivables	**885**	-
Other		
Trade and other trade receivables	**2,231**	2,790
Total assets	**1,959,961**	**1,672,045**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. RELATED PARTY TRANSACTIONS (*continued*)

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

Related party income statement	**2014**	2013
	£	£
Fellow Credit Suisse group companies		
Revenue	**117,421**	116,830
Interest income	**132**	3,113
Group relief receivable	**356,870**	348,438
Other		
Revenue	**2,662,774**	2,676,893

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 (2013: £ 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 (2013: nil).

11. INTERESTS IN OTHER ENTITIES

Unconsolidated structured entities
The Company holds an interest in structured entities which are not consolidated. An interest is either contractual or non-contractual involvement that exposes the Company to variability in returns from the performance of another entity. An interest on another entity can be evidence by, but is not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees.
The Company does not have an interest in another entity solely because of a typical customer supplier relationship. An example of a typical customer supplier relationship are fees other than management and performance fees that are passively earned and are typically one-off in nature.

Type of structured entity

Securitisations
Securitisations are primarily Residential mortgage backed securities ("RMBS") vehicles. The Company was the original Seller of the mortgages, Initial Instrument Holder and/or is the Special Servicer to structured entities related to certain securitisation transactions which are funded by bonds issued on a recognised exchange.
The maximum exposure to loss is the exposure arising from net cost of outsourced servicing less servicing costs payable by the structured entities which cannot be calculated with any reasonable certainty.

As at December 31, 2014 there is a trade receivable amount due from these entities of £632 (2013: £1,145).

The following table provides the carrying amounts and classifications of the assets and liabilities recorded in the unconsolidated structured entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. INTERESTS IN OTHER ENTITIES *(continued)*

Interests in unconsolidated structured entities
31 December 2014

	Type of structured entity
Balance sheet line item	**Securitisations**
	£
Other loans and receivables	1,027,460,289
Unconsolidated structured entity assets	**1,027,460,289**

The Company has no exposure to loss arising from the assets held by these entities and has not transferred any assets to, or received assets transferred from, these entities during the current or prior years.

These amounts typically represent the assets of the entities themselves and are typically unrelated to the exposures the Company has with the entity and thus are not amounts that are considered for risk management purposes.

Income from interests in unconsolidated structured entities
2014

	Income
Structured entity type	**Commission and fees**
	£
Securitisations	2,662,774
Total	**2,662,774**

The table above shows the income from interests in unconsolidated structured entities during the reporting period, including commission and fees.

The Company has servicing obligations in relation to the assets and receives income from the unconsolidated structured entities which does not cover the servicing costs incurred by the Company.

The Company does not currently have the intention to provide financial or other support to unconsolidated structured entities that it is not contractually required to provide.

12. TAXATION

a) Current tax

	2014	2013
	£	£
Current tax credit on loss in the year	(356,922)	(348,438)
Adjustments in respect to previous periods	52	-
Total tax benefit	**(356,870)**	**(348,438)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. TAXATION *(continued)*

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 21.49% (2013: 23.25%) as follows:

	2014	2013
	£	£
Loss before tax	**(1,660,632)**	(1,498,657)
Loss before tax multiplied by the UK statutory rate of corporation tax of 21.49% (2013: 23.25%)	**(356,922)**	(348,438)
Adjustments in respect to previous periods	**52**	-
Total	**(356,870)**	**(348,438)**

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

The Finance Act 2012, which passed into law on 17 July 2012, reduced UK corporation tax rate from 24% to 23% with effect from 1 April 2013.

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

13. TRADE AND OTHER RECEIVABLES

	2014	2013
	£	£
Trade receivables	**1,466**	2,790
Other receivables	**123,377**	99,445
Total trade and other receivables	**124,843**	**102,235**

14. CASH AND CASH EQUIVALENTS

	2014	2013
	£	£
Cash at bank	**14,096**	32,943
Cash deposits with other group entities	**1,150,000**	1,590,000
Total cash and cash equivalents	**1,164,096**	**1,622,943**

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, and this is available for recall with no notice and earns a variable interest rate reflecting the nature of the deposit. The fair value of cash and cash equivalents approximates the book value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

15. GROUP RELIEF RECEIVABLE

	2014	2013
	£	£
Group relief receivable	705,308	348,438
Total group relief receivable	**705,308**	**348,438**

16. PREPAYMENTS AND ACCRUED INCOME

	2014	2013
	£	£
Prepayments	**7,800**	9,921
Accrued Income	**14,073**	18,438
Total prepayments and accrued income	**21,873**	**28,359**

17. PROVISIONS

Insurance commission	2014	2013
	£	£
Balance at 1 January	**60,423**	45,355
Provisions used during the year	**(26,732)**	(31,796)
Provisions established during the year	**2,676**	46,864
Balance at 31 December	**36,367**	**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.

18. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
Allotted, called-up and fully paid:		
2,250,000 ordinary shares (2013: 1,000,000 shares) of £1 each	**2,250,000**	**1,000,000**

During the year the Company issued 1,250,000 Ordinary shares (2013: 100,000) of £1 each (2013: £1 each at a premium of £19 per share), for a total cash consideration of £1,250,000 (2013: £2,000,000).

19. 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 2014

19. FINANCIAL ASSETS AND LIABILITIES (continued)

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

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

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

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

2014

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	**Other amortised cost items**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Trade receivables	124,843	-	-	124,843	-	124,843
Group relief receivable	705,308	-	-	705,308	-	705,308
Cash and cash equivalents	-	1,164,096	1,164,096	-	-	1,164,096
Total	**830,151**	**1,164,096**	**1,164,096**	**830,151**	-	**1,994,247**
Financial liabilities						
Trade and other payables	-	54,879	-	54,879	-	54,879
Accruals	-	149,436	-	149,436	-	149,436
Total	-	**204,315**	-	**204,315**	-	**204,315**

2013

	Carrying Amount (£)		Fair Value (£)			
	Loans and receivables	**Other amortised cost items**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Trade receivables	102,235	-	-	102,235	-	102,235
Group relief receivable	348,438	-	-	348,438	-	348,438
Cash and cash equivalents	-	1,622,943	1,622,943	-	-	1,622,943
Total	**450,673**	**1,622,943**	**1,622,943**	**450,673**	-	**2,073,616**
Financial liabilities						
Trade and other payables	-	15,357	-	15,357	-	15,357
Accruals	-	196,995	-	196,995	-	196,995
Total	-	**212,352**	-	**212,352**	-	**212,352**

There were no (2013: no) transfers between level 1 and level 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

20. 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

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's major asset types are its short term cash deposits and group relief receivable values. 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:

2014	**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	126,219	-	23,217	-	-	**149,436**
Trade payables	54,879	-	-	-	-	**54,879**
Total financial liabilities	**181,098**	**-**	**23,217**	**-**	**-**	**204,315**

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**
	£	**£**	**£**	**£**	**£**	**£**
Accruals	119,043	39,000	38,952	-	-	**196,995**
Trade payables	15,357	-	-	-	-	**15,357**
Total financial liabilities	**134,400**	**39,000**	**38,952**	**-**	**-**	**212,352**

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 £1,992,247 comprising £14,096 (2013: £32,943) of cash and cash equivalents held with Barclays Bank Plc, £1,150,000 (2013: £1,590,000) of deposit held with Credit Suisse AG, £705,308 (2013: £348,438) of group relief receivable and £124,843 (2013: £102,235) 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.

20. FINANCIAL RISKS *(continued)*

Credit risk *(continued)*

Maximum exposure to credit risk	**2014**	2013
	£	£
Cash equivalents held with Barclays Bank Plc	**14,096**	32,943
Deposit held with Credit Suisse AG	**1,150,000**	1,590,000
Group relief receivable	**705,308**	348,438
Trade and other receivables	**124,843**	102,235
Maximum exposure to credit risk	**1,994,247**	**2,073,616**

- 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 which 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 £4,570 / (£4,570) (2013: £6,228 / (£6,228)).

21. CAPITAL MANAGEMENT

The capital of the Company is represented by 2,250,000 ordinary shares (2013: 1,000,000 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.

22. SUBSEQUENT EVENTS

There are no subsequent events to be reported.