Oakwood Homeloans Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Company Registration Number 05092310

Oakwood Homeloans Limited

Company information

Directors

Leonora Daniel
Masashi Washida

Secretary

Mr Roger Lansdowne

Independent Auditors

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

Registered office

The Watermill
Broughton
Skipton
North Yorkshire
BD23 3AG
United Kingdom

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

Principal activities

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 experienced within the mortgage sector and by the Company continue to be challenging. 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 £977,805 (2019: £1,946,754). As at 31 December 2020, the Company had total assets of £7,402,079 (2019: £8,030,641), 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 £1,512,431 (2019: £1,490,236).

Risks and Uncertainties

The risks facing the Company are liquidity risk, on any cash balances, market risk and credit risk, primarily on revenue and related receivables and operational risk, arising from inadequate or failed internal processes, people or systems or from external events. 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. The Company is also exposed to market risk associated with the measurement of its exposure to an onerous contract and associated provision which is outlined in note 17.The Company is exposed to minimal operational risk.

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

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

Capital Resources

During the year, the Company issued £1,000,000 additional share capital (2019: £5,300,000). The Company continues to closely monitor its capital and funding requirements. Credit Suisse AG, Zurich has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due.

Strategy and future developments

The Company is not currently seeking to grant new mortgage lending nor to grow its assets under management at this time. 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 23 June 2021 by:

Leonora Daniel,
Director

International Financial Reporting Standards

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

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

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

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 £977,805 (2019: £1,946,754). The directors do not recommend the payment of a final dividend (2019: £nil). No dividends were paid or proposed for the year ended 31 December 2020 (2019: £nil). Risks and Uncertainties and Capital Resources notes can be found in the Strategic Report at page 2.

Directors

The Directors who held office up to the date of signing the financial statements are listed on page 1.

There have been no changes to the directorate since 1 January 2020 and up to the date of this report.

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

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

Future developments

The Company is not currently seeking to grant new mortgage lending nor to grow its assets under management at this time.

Subsequent events

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

Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Modern Slavery and Human Trafficking

In its role as an employer, and as a user and provider of services, Credit Suisse group is committed to human rights and respects them as a key element of responsible business conduct. Credit Suisse group voluntarily pledged to uphold to international human rights-related agreements, including: Equator Principles, Principles for Responsible Investment and UN Global Compact.

The Company adopts a number of internal policies, commitments and controls which are already in place and help to eradicate modern slavery and human trafficking in the supply chain and across the business. In addition, the Credit Suisse group Supplier Code of Conduct aims to ensure that the Credit Suisse group's external business partners, including their employees, subsidiaries and subcontractors, respect human rights, labour rights, employment laws and environmental regulations. In 2016, Credit Suisse group introduced a formal Third Party Risk Management ('TPRM') framework to scrutinise and monitor the operational, financial and reputational risk associated with third party relationships. The TPRM framework provides for structured due diligence assessments of the all suppliers to identify where modern slavery and human trafficking risks may exist.

The complete statement, made pursuant to section 54, Part 6 of the Modern Slavery Act 2015, is publicly available and can be found at www.credit-suisse.com/humanrights.

Directors' confirmations

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

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

Independent Auditor

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

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

On behalf of the Board

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

Independent auditors' report to the members of Oakwood Homeloans Limited

Report on the audit of the financial statements

Opinion

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

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing key correspondence with regulatory authorities (the FCA);
- Reviewing Board meeting minutes to identify any significant or unusual transactions;
- Identifying and, where relevant, testing journal entries;
- Testing over material year-end breaks in cash reconciliations and sending confirmations to banks;
- Challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Incorporating unpredictability in the selection of the nature, timing and extent of audit procedures performed.

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

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

Use of this report

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

Independent auditors' report to the members of Oakwood Homeloans Limited

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Amena Shaista

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

Oakwood Homeloans Limited

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

	Note	2020 £	2019 £ (Restated)
Revenue	4	1,750,679	1,997,577
Cost of sales	5	(2,171,276)	(3,481,017)
Gross loss		(420,597)	(1,483,440)
Administrative expenses	6	(452,040)	(452,353)
Impairment of financial asset		(60,035)	0
Operating loss		(932,672)	(1,935,793)
Finance income		669	411
Finance cost		(261,081)	(468,028)
Net finance cost	7	(260,412)	(467,617)
Loss before tax	8	(1,193,084)	(2,403,410)
Taxation	12	215,279	456,656
Loss and total comprehensive loss for the yeai		(977,805)	(1,946,754)

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

The 2019 comparatives have been restated to disclose the impact of a prior period adjustment. Details are included in note 23.

The notes on pages 12 to 23 form an integral part of the Financial Statements.

Statement of financial position
As at 31 December 2020

	Note	2020 £	2019 £ (Restated)
Non-current assets			
Trade and other receivables	13	0	41,691
Total non-current assets		0	41,691
Current assets			
Cash and cash equivalents	14	6,582,574	6,956,430
Group relief receivable	15	671,928	859,872
Trade and other receivables	13	13,398	8,917
Prepayments and accrued income	16	134,179	163,731
Total current assets		7,402,079	7,988,950
Total assets		7,402,079	8,030,641
Liabilities			
Current liabilities			
Trade and other payables		350,032	243,784
Accruals		312,985	406,028
Provisions	17	769,343	906,867
Total current liabilities		1,432,360	1,556,679
Non-current liabilities			
Provisions	17	4,457,288	4,983,726
Total non-current liabilities		4,457,288	4,983,726
Total liabilities		5,889,648	6,540,405
Total Equity			
Called up share capital	18	15,100,000	14,100,000
Share premium		4,940,000	4,940,000
Accumulated losses		(18,527,569)	(17,549,764)
Total shareholders' equity		1,512,431	1,490,236
Total liabilities and shareholders' equity		7,402,079	8,030,641

The notes on pages 12 to 23 form an integral part of the Financial Statements.
The 2019 comparatives have been restated to disclose the impact of a prior period adjustment. Details are included in note 23.

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

Leonora Daniel,

Director
Company Registered Number: 05092310

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

	Share capital	Share premium	Accumulated Losses	Total equity
	£	£	£	£
			(Restated)	(Restated)
Balance at 1 January 2019	8,800,000	4,940,000	(15,603,010)	(1,863,010)
Net loss for the year	-	-	(1,946,754)	(1,946,754)
Total comprehensive loss for the year	0	0	(1,946,754)	(1,946,754)
Issue of share capital	5,300,000	0	-	5,300,000
At 31 December 2019	14,100,000	4,940,000	(17,549,764)	1,490,236

	Share capital	Share premium	Accumulated Losses	Total equity
	£	£	£	£
Balance at 1 January 2020	14,100,000	4,940,000	(17,549,764)	1,490,236
Net loss for the year	-	-	(977,805)	(977,805)
Total comprehensive loss for the year	0	0	(977,805)	(977,805)
Issue of share capital	1,000,000	0	-	1,000,000
At 31 December 2020	15,100,000	4,940,000	(18,527,569)	1,512,431

The notes on pages 12 to 23 form an integral part of the Financial Statements.

The 2019 comparatives have been restated to disclose the impact of a prior period adjustment. Details are included in note 23.

Oakwood Homeloans Limited

Statement of cash flows
For the year ended 31 December 2020

	Note	2020 £	2019 £ (Restated)
Cash flows generated from operating activities			
Loss before tax for the year		(1,193,084)	(2,403,410)
Decrease/(increase) in trade and other receivables	13	37,210	(8,497)
Decrease/(increase) in prepayments and accrued income	16	29,552	(148,645)
Increase/(decrease) in trade and other payables		106,248	(16,717)
(Decrease)/Increase in accruals		(93,043)	270,012
(Decrease)/Increase in provisions	17	(663,962)	558,531
Cash received in respect of group relief		403,223	279,098
Net cash used in operations		(1,373,856)	(1,469,628)
Cash flows generated from financing activities			
Issue of shares		1,000,000	5,300,000
Net cash flow generated from financing activities		1,000,000	5,300,000
Cash and cash equivalents at 1 January		6,956,430	3,126,058
Net (decrease)/increase in cash and cash equivalents		(373,856)	3,830,372
Cash and cash equivalents at 31 December		6,582,574	6,956,430

The notes on pages 12 to 23 form an integral part of the Financial Statements.

The 2019 comparatives have been restated to disclose the impact of a prior period adjustment. Details are included in note 23.

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 2020 the Company is a wholly owned subsidiary of Oakwood Homeloans Holdings Limited and its ultimate parent company is Credit Suisse Group AG., incorporated in Switzerland, which prepares consolidated financial statements.

Oakwood Homeloans Limited is a private limited company and is limited by shares, incorporated and domiciled in England and Wales. The

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 in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and applicable law.

Basis of presentation

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

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

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

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the Company had incurred a loss of £1.0 million for the year ended 31 December 2020 (31 December 2019: £1.9 million loss). Accordingly, the validity of the going concern assumption is dependent upon future profitable operations and continued financial support from its ultimate parent. Credit Suisse AG have confirmed that they will provide the Company with such financial support as may be required to meet the Company's obligations as they arise in the foreseeable future.

The benefit of mortgage receipts are owned by third parties and as such the Company is not directly exposed to reduced mortgage receipts impacted by Covid-19 however, the Company may be impacted by higher levels of servicing costs that are not fully covered by the third parties under the terms of the onerous contract. The Company has stress tested reduced levels of mortgage receivables ranging from 10% to 100% reduction in 2021. Whilst this could impact cash flow and levels of provision for onerous contract in 2021 and beyond it can continue as a going concern as it will still have sufficient cash flows to continue operating although increased levels of costs would require additional capital in the long term.

Standards and Interpretations effective in the current period

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

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

IFRS 3: In October 2018, the IASB issued 'Definition of a Business' (Amendments to IFRS 3) to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. The Company adopted the Amendments to IFRS 3 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

2 . Significant accounting policies (continued)

Standards and Interpretations effective in the current period (continued]

IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform:- Phase 1: In September 2019, the IASB issued 'Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform' (Amendments to IFRS 9, IAS 39 and IFRS 7) in order to address the financial reporting consequences of the interest rate benchmark reform in the period before the replacement of an existing interest rate benchmark with an alternative reference rate. The amendments are effective for annual periods beginning on or after 1 January 2020. The Company adopted the Amendments to IFRS 9, IAS 39 and IFRS 7 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

Standards and Interpretations endorsed by the UK Endorsement Board and not yet effective

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

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

The accounting policies have been applied consistently by the Company.

Revenue

The Company earns all material income from contracts with customers, which are recognised from the following major sources:

- Loan Administration Servicing and Sundry Fees
- Commission

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer. The Company recognises revenue when it transfers control of a service to a customer.

Loan Administration Servicing Fees

The Company provides loan administration services to the ultimate funding entities which own the beneficial and economic interest in the mortgage portfolios that the Company has sourced. Such services are recognised as a performance obligation satisfied over time, because the customer simultaneously receives and consumes all of the benefits of the loan administration services provided on a daily basis. The directors have assessed that the output method, is an appropriate measure of progress towards complete satisfaction of these performance obligations. The contracts are bespoke to each customer, so the output method for each contract is based on a combination of the relevant outputs for each contract including, but not limited to; value of loans under management, days loans serviced in a period. Payment for the loan administration servicing fees are due from the customer on monthly basis, and there is little judgement required to determining the transaction price of the performance obligation.

Loan Administration Servicing Fees

The Company receives insurance commission when 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. The commission income is recognised over time whilst the insurance policy is on risk and the Company has a right to receive payment.

Cost of sales

Costs of sales has been recognised on an accrual basis.

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.

2 . Significant accounting policies (continued)

Taxation (continued)

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.

Cash and cash equivalents

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

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.

Provisions and onerous contracts

Onerous contract provisions are recognised for losses on servicing contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on discounted cash flows to the end of the contract. The onerous contract provision expense is recognised when provision is established and is recorded in 'Cost of Sales' in the Statement of Profit or Loss and Other Comprehensive Income.

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 a provision is 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.

An Insurance Commission provision is maintained by the Company to cover future refunds of insurance commission which had previously been recognised as income from the Company Lender Insurance Only (LIO) program.

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.

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 impairment of the investment in its subsidiary provided within the financial statements are prudent, reasonable and consistently applied.

An onerous contract provision has been established as the Company has determined that certain costs associated with mortgage servicing are unavoidable, and that these costs over the presumed lifetime of these arrangements outweigh any potential income. When calculating the value of these cash flows, Management have made assumptions as to the rate of repayment of the remaining assets being serviced, future annual RPI cost increases, discount rate and future income that may be received. Actual results may differ materially from these estimates however Management believes that the estimates and assumptions used in determining the amount of provision for these unavoidable servicing costs within the financial statements are prudent, reasonable and consistently applied.

4 . Revenue

	2020	2019
	£	£
Servicing and sundry fees	1,667,866	1,906,564
Commission	82,813	91,013
	1,750,679	1,997,577

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 mortgage books on an on-going basis.

5 . Cost of sales

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

6 . Administrative expenses

	2020	2019
	£	£
Other corporate expenses	452,040	452,353

7 . Net finance cost

	2020	2019
	£	£
Bank interest receivable	669	411
Finance cost arising from provision	(261,081)	(468,028)
	(260,412)	(467,617)

8 . Loss before tax

	2020	2019
	£	£
Loss before taxation is stated after charging:		
The following fees were payable by Oakwood Homeloans Limited to the auditor, PricewaterhouseCoopers LLP (2019: KPMG LLP)	23,500	6,337
Audit of the prior years financial statements	0	14,820

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

9 . Related party transactions (continued)

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.

	2020 £	2019 £ (Restated)
Assets		
Parent		
Trade and other trade receivables	0	41,691
Entities that have significant influence over the Company		
Interest bearing deposit	6,300,000	6,600,000
Trade and other trade receivables	183	834
Other		
Group relief receivable	671,928	859,872
Trade and other trade receivables	13,216	8,082
Prepayments and accrued income	119,836	151,015
Total assets	7,105,163	7,661,494

	2020 £	2019 £ (Restated)
Related party income statement		
Entities that have significant influence over the company		
Revenue	111,261	130,169
Interest income	669	411
Other		
Tax credit surrendered for group relief	215,279	456,656
Revenue	1,629,730	1,852,890
Related party expenditure statement		
Parent		
Impairment of financial asset	60,035	0
Other		
Administrative expenses	6,000	6,000

b) Remuneration of Directors and key management personnel

The directors and key management personnel did not receive any remuneration in respect of their services as directors of the Company (2019: £nil). The directors and key management personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these directors and key management personnel.

c) Liabilities due to pension funds

The Company has no employees and therefore does not have any liabilities with regard to pension funds (2019: nil).

10 . Employee information

The Company had no employees during the year (2019: nil).

11 . Interests in other 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 in another entity can be evidenced 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.

11 . Interests in other entities (continued)

Type of structured entity

Securitisations

Securitisations are primarily Residential mortgage backed securities ("RMBS") vehicles. The Company was the original Seller of, and retains legal title to the mortgages, was the original 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 the net cost of outsourced servicing less servicing costs payable by the structured entities which cannot be calculated with any reasonable certainty.

As at 31 December 2020 there is a trade receivable amount due from these entities of £13,216 (2019: £8,082).

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

Interests in unconsolidated structured entities

	2020	2019
	£	£
Securitisations - Other loans and receivables	503,726,318	635,094,608
Unconsolidated structured entity assets	503,726,318	635,094,608

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

	Commission and fees	
	2020	2019
	£	£
Securitisations - Income	1,629,730	1,852,890
	1,629,730	1,852,890

The table above shows the income from interests in unconsolidated structured entities during the reporting and prior 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.

Continuing Interest in other entities

As set out in the prospectus of two of these securtisations, the Company has a non-exclusive right to direct the issuer to "call" those securitisations when the aggregate principal amount outstanding of the notes is equal to 10% or less of the aggregate principal amount outstanding of the notes on the issue date.

The original mortgage loans were bought, and sold, to those securitisations during 2006 and 2007 for an aggregate amount of £1,457m and the Company made neither a profit nor loss on the sale. As of December 31, 2020, the aggregate closing balance of receivables relating to those securitisations was £454m.

In order to conclude the call, the issuer would need to have sufficient funds to settle the remaining notes and any associated costs or interest. This could involve the sale of the remaining mortgage loan assets at that time or refinancing the structure by some other means however this may not necessarily involve the Company itself committing finance to the restructure.

Whilst there remains uncertainty over timing and valuation, it is estimated that this could arise in approximately 10 years when the aggregate outstanding receivables balance might be anticipated to be around £150m.

12 . Taxation

	2020	2019
	£	£
a) **Current tax**		**(Restated)**
Current tax credit on loss for the year	(215,279)	(456,647)
Adjustments in respect to previous periods	0	(9)
Total tax credit	(215,279)	(456,656)

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 19% (2019 - 19%) as follows:

	2020 £	2019 £ (Restated)
Loss on ordinary activities before tax	**(1,193,084)**	**(2,403,410)**
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) :	(226,686)	(456,647)
Adjustments in respect to previous periods	0	(9)
Items not allowable for tax	11,407	0
Income tax credit for the year (note 12a)	(215,279)	(456,656)

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

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

13 . Trade and other receivables

	2020 £	2019 £
Trade receivables	11,504	8,917
Other receivables	1,894	41,691
Total trade and other receivables	13,398	50,608

14 . Cash and cash equivalents

	2020 £	2019 £
Cash at bank	282,574	356,430
Cash deposits with other group companies	6,300,000	6,600,000
Total cash and cash equivalents	6,582,574	6,956,430

Cash at bank relate to accounts held with Barclays Bank Plc. Cash deposits relate to cash placed with other Credit Suisse group companies for the purpose of liquidity management, and this is available for recall with no notice and earns a variable interest rate (being Credit Suisse's Group internal call account rate) reflecting the nature of the deposit. The fair value of cash and cash equivalents approximates the book value.

15 . Group relief receivable

	2020 £	2019 £ (Restated)
Group relief receivable	671,928	859,872
	671,928	859,872

16 . Prepayments and accrued income

	2020 £	2019 £ (Restated)
Prepayments	7,245	6,429
Accrued income	126,934	157,302
Total prepayments and accrued income	134,179	163,731

17 . Provisions

	Onerous contracts 2020 £	Insurance commission 2020 £	Total 2020 £	Onerous contracts 2019 £ (Restated)	Insurance commission 2019 £	Total 2019 £ (Restated)
Balance at 1 January	5,869,695	20,898	5,890,593	5,305,879	26,183	5,332,062
Provisions used during the year	(870,880)	(9,686)	(880,566)	(948,117)	(14,518)	(962,635)
Provisions established during the year	(52,370)	7,894	(44,476)	1,043,905	9,233	1,053,138
Amounts charged as Financing Costs	261,081	0	261,081	468,028	0	468,028
Balance at 31 December	5,207,526	19,106	5,226,632	5,869,695	20,898	5,890,593
Analysed between:						
Current liability	760,447	8,896	769,343	896,717	10,150	906,867
Non-Current liability	4,447,078	10,210	4,457,288	4,972,978	10,748	4,983,726
	5,207,525	19,106	5,226,631	5,869,695	20,898	5,890,593

Provision for onerous contract

A provision for an onerous contract is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company has established a provision for an onerous contract in relation to unconsolidated structured entities (Note 11). During 2020, a surplus provision of £52k has been released (2019: additional £1,044k provision established). The unwinding of the discount is recognised as a finance cost.

Sensitivities

The onerous contract provision is sensitive to changes in the underlying assumptions which includes the rate of repayment of the remaining assets being serviced, future annual increases in the Retail Prices Index (RPI) affecting costs and the discount factor (DCF) used. The following table sets out how a change in the underlying assumptions used would favourably / (adversely) impact profit and loss.

	2020 Increase £	2020 Decrease £	2019 Increase £	2019 Decrease £
Rate of repayment of Assets % (+/- 0.5%)	120,118	(123,944)	133,393	(137,889)
RPI % (+/- 0.1%)	(44,569)	44,326	(50,661)	50,375
DCF % (+/- 0.5%)	78,293	(81,050)	86,701	(89,845)

Provision for insurance commission

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 to mortgage customers. 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 programs, however there are uncertainties relating to both timing and amount of refund activity.

18 . Called up share capital

	2020 No	2020 £	2019 No	2019 £
Allotted, called-up and fully paid:				
Ordinary shares of £1 each	15,100,000	15,100,000	14,100,000	14,100,000
	15,100,000	15,100,000	14,100,000	14,100,000

During the year the Company issued 1,000,000 Ordinary shares (2019: 5,300,000) of £1 each, for a total cash consideration of £1,000,000 (2019 : £5,300,000).

19 . Financial assets and liabilities

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

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

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

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

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

As at 31 December 2020 and 2019 the company does not have financial assets and liabilities measured at fair value.

As at 31 December 2020

	Carrying amount £	Quoted market price Level 1 £	Using observable inputs Level 2 £	With significant unobservable inputs Level 3 £	Total fair value Total £
Financial assets					
Trade receivables	13,398	0	13,398	0	13,398
Group relief receivable	671,928	0	671,928	0	671,928
Cash and cash equivalents	6,582,574	6,582,574	0	0	6,582,574
Total	7,267,900	6,582,574	685,326	0	7,267,900
Financial liabilities					
Trade and other payables	350,032	0	350,032	0	350,032
Total	350,032	0	350,032	0	350,032

As at 31 December 2019

	Carrying amount £ (Restated)	Quoted market price Level 1 £	Using observable inputs Level 2 £ (Restated)	With significant unobservable inputs Level 3 £	Total fair value Total £ (Restated)
Financial assets					
Trade receivables	50,608	0	50,608	0	50,608
Group relief receivable	859,872	0	859,872	0	859,872
Cash and cash equivalents	6,956,430	6,956,430	0	0	6,956,430
Total	7,866,910	6,956,430	910,480	0	7,866,910
Financial liabilities					
Trade and other payables	243,784	0	243,784	0	243,784
Total	243,784	0	243,784	0	243,784

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

There were no (2019: no) transfers between level 1 and level 2 during the year.

20 . Financial risks

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

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

Liquidity risk

Liquidity risk is the risk that a company is unable to fund assets to meet obligations as they fall due under both normal and stressed market conditions. The Company has limited liquidity risk. The Company'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:

As at 31 December 2020	Not later than one month £	Over one month but not more than 3 months £	Over 3 months but not more than 1 year £	Due between 1 and 5 years £	Due after 5 years £	Total £
Trade and other payables	146,307	201,830	1,895	0	0	350,032
Accruals	2,819	77,354	232,812	0	0	312,985
	149,126	279,184	234,707	0	0	663,017

As at 31 December 2019	Not later than one month £ (Restated)	Over one month but not more than 3 months £	Over 3 months but not more than 5 years £ (Restated)	Due between 1 and 5 years £	Due after 5 years £	Total £ (Restated)
Trade and other payables	61,916	123,147	58,721	0	0	243,784
Accruals	2,820	69,590	333,618	0	0	406,028
	64,736	192,737	392,339	0	0	649,812

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 £7,394,834 (2019: £8,024,212) comprising £282,574 (2019: £356,430) of cash and cash equivalents held with Barclays Bank Plc, £6,300,000 (2019: £6,600,000) of deposit held with Credit Suisse AG, £671,928 (2019: £859,872) of group relief receivable and £13,398 (2019: £50,608) of trade and other receivables and £126,934 (2019: £157,302) of prepayments and accrued income. The majority of trade receivables are intercompany or related parties and are settled within 3 months and therefore are considered as low risk.

	2020 £	2019 £ (Restated)
Cash equivalents held with Barclays Bank Plc	282,574	356,430
Deposit held with Credit Suisse AG	6,300,000	6,600,000
Group relief receivable	671,928	859,872
Trade and other receivables	13,398	50,608
Prepayments and accrued income	126,934	157,302
	7,394,834	8,024,212

- 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.

20 . *Financial risks (continued)*

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 is exposed to market risk associated with the measurement of its exposure to an onerous contract and associated provision but has minimal other 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 cash deposits at Credit Suisse's Group internal GBP call account rate, and has no borrowing, it has only minimal exposure to movements in interest rates.

A change of 1 basis point in interest rates at the year-end would have increased/(decreased), equity and profit or loss by £533 / (£533) (2019: £563 / (£563).

Operational risk

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

21 . Capital management

The capital structure of the Company consists of issued share capital less retained losses.

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 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

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

23 . Prior period restatement

The company holds an onerous contract provision (See note 17). During a review of the underlying assumptions used to calculate this provision the company established that it had over-estimated the likely future period for which the provision was required. In addition, the company now considers that the discount rate used did not adequately reflect the nature of the provision nor was it refreshed periodically in line with changes to the underlying interest rates. Had these factors been previously considered, then the 2018 and 2019 onerous contract provision would have been different from the amounts previously provided. Whilst 31 December 2018 additional provision was only £72k and is not being restated, the revised assumptions as at 31 December 2019 would have required an additional provision of £515k.

In addition, the company includes certain income (and expenditure) relating to administration services subcontracted to third-party servicers and supplied to unconsolidated structures (See note 11). The Company has now grossed up receivables and liabilities to reflect the contractual obligations. The effect of this is an increase of £151,375 to both accrued income and to accrued expenses as at 31 December 2019 (2018: £163,739).

23 . Prior period restatement (continued)

Statement of profit or loss and other comprehensive income

	Published for the year ended 2019	Adjustment	2019
	£	£	£ (Restated)
Revenue	1,997,577	0	1,997,577
Cost of sales	(2,966,115)	(514,902)	(3,481,017)
Gross loss	(968,538)	(514,902)	(1,483,440)
Administrative expenses	(452,353)	0	(452,353)
Operating loss	(1,420,891)	(514,902)	(1,935,793)
Finance income	411	0	411
Finance cost	(468,028)	0	(468,028)
Net finance cost	(467,617)	0	(467,617)
Loss before tax	(1,888,508)	(514,902)	(2,403,410)
Taxation	358,825	97,831	456,656
Loss and total comprehensive loss for the year	(1,529,683)	(417,071)	(1,946,754)