

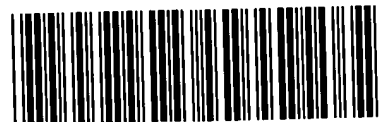
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**REDWOOD ADMINISTRATION LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2018**

THURSDAY



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**REDWOOD ADMINISTRATION LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A D Forrester (appointed 29 August 2017) M Gilmour (appointed 29 August 2017)
<b>Registered number</b>	10934630
<b>Registered office</b>	Ashcombe House 5, The Crescent Leatherhead London KT22 8DY
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

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**REDWOOD ADMINISTRATION LIMITED**

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## REDWOOD ADMINISTRATION LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2018

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The directors present their report and the financial statements for the period ended 31 March 2018.

#### Principal activity

The principal activities of the company are to oversee the management of mortgage portfolios and to advise on valuation of these portfolios.

#### Results and dividends

The profit for the period, after taxation, amounted to £3,737.

#### Directors

The directors who served during the period were:

A D Forrester (appointed 29 August 2017)

M Gilmour (appointed 29 August 2017)

#### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**REDWOOD ADMINISTRATION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**Disclosure of Information to auditor**

The directors confirm that:

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

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 December 2018 and signed on its behalf.



**M Gilmour**  
Director



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDWOOD ADMINISTRATION LIMITED**

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### **Opinion**

We have audited the financial statements of Redwood Administration Limited for the period ended 31 March 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Who we are reporting to**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDWOOD ADMINISTRATION LIMITED (CONTINUED)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDWOOD ADMINISTRATION LIMITED  
(CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

**Auditor's 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 Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

*Grant Thornton UK LLP*

William Pointon  
Senior statutory auditor  
for and on behalf of Grant Thornton  
Statutory Auditor, Chartered Accountants  
London

21 December 2018



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**REDWOOD ADMINISTRATION LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2018**

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	Note	2018 £
Turnover		1,346,735
Cost of sales		(1,274,162)
<b>Gross profit</b>		<b>72,573</b>
Administrative expenses		(67,884)
<b>Operating profit</b>		<b>4,689</b>
Interest payable and expenses		(76)
<b>Profit before tax</b>		<b>4,613</b>
Tax on profit		(876)
<b>Profit for the financial period</b>		<b>3,737</b>
<b>Other comprehensive income for the period</b>		
<b>Total comprehensive income for the period</b>		<b>3,737</b>

The notes on pages 9 to 11 form part of these financial statements.

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**REDWOOD ADMINISTRATION LIMITED**  
**REGISTERED NUMBER:10934630**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

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	Note	2018 £
<b>Current assets</b>		
Debtors: amounts falling due within one year	5	234,050
Cash at bank and in hand	6	8,383
		<u>242,433</u>
Creditors: amounts falling due within one year	7	<u>(238,686)</u>
<b>Net current assets</b>		<u>3,747</u>
<b>Total assets less current liabilities</b>		<u>3,747</u>
<b>Net assets</b>		<u>3,747</u>
<b>Capital and reserves</b>		
Called up share capital		10
Profit and loss account		3,737
		<u>3,747</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2018.



**M Gilmour**  
Director

The notes on pages 9 to 11 form part of these financial statements.

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**REDWOOD ADMINISTRATION LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	3,737	3,737
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the period</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	3,737	3,737
Shares issued during the period	10	-	10
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	10	-	10
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2018</b>	10	3,737	3,747
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## REDWOOD ADMINISTRATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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#### 1. General information

Redwood Administration Limited is a private company limited by shares and incorporated in England and Wales. Registered number 10934630. Its registered head office is located at Ashcombe House, 5 The Crescent, Leatherhead, United Kingdom, KT22 8DY.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

Having made appropriate enquiries and following a review of the company's cashflow forecast, the directors are of the opinion that the company will have adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have prepared the financial statements on a going concern basis.

##### 2.3 Revenue

Revenue is recognised to the extent that economic benefit will flow to the company and can be reliably measured.

Revenue comprises management fees which are recognised in the period they become due to the Company.

##### 2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.5 Foreign currency translation

The functional currency of the Company is GBP.

##### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each

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**REDWOOD ADMINISTRATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.7 Financial instruments (continued)**

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

**3. Auditors Remuneration**

Fees payable to the company's auditor and its associates in respect of:

	<b>2018</b>
	<b>£</b>
Audit of the company's financial statements	11,300
Tax compliance services	4,500
All other services	1,250

**4. Employees**

The average monthly number of employees during the period was 1.

**5. Debtors**

	<b>2018</b>
	<b>£</b>
Trade debtors	232,694
Other debtors	10
Prepayments and accrued income	1,346
	<hr/>
	<b>234,050</b>
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**REDWOOD ADMINISTRATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**6. Cash and cash equivalents**

	2018 £
Cash at bank and in hand	8,383

**7. Creditors: Amounts falling due within one year**

	2018 £
Trade creditors	114,394
Amounts owed to related entities	106,367
Corporation tax	876
Accruals and deferred income	17,049
	<u>238,686</u>

**8. Related party transactions**

During the year the company had the following transactions with its related parties:

Management charges were incurred as an expense with Magellan Homeloans UK Limited of £106,367 and Redwood Asset Management SL £1,274,162. Magellan Homeloans UK Limited is a fellow subsidiary of the Group. Redwood Asset Management SL is a related party through common ownership.

During the period, recharges totalling £69,949 were received from Oaktree Opportunities Fund X LP, which is a related party through common ownership.

**9. Controlling party**

The directors do not consider to have an ultimate controlling party.

**10. Post balance sheet events**

On the 31st October 2018, Redwood Administration Limited transferred the benefit of its master servicing contracts to Redwood MS Limited. Redwood Administration Limited will cease trading but remains as a counterparty to prior transactions without any ongoing financial obligations.