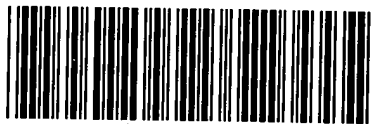


Interbay Holdings Ltd

Annual Report and Financial Statements
For the year ended 31st December 2014
Company Number 05878379

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Interbay Holdings Ltd

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Interbay Holdings Ltd

Company Information

For the year ended 31 December 2014

DIRECTORS

Colin Bell (resigned 18 December 2014)
John Eastgate
Clive Kornitzer (appointed 17 December 2014)
Andrew Parkes (appointed 17 December 2014)
Mark Parrett
Neil Richardson (resigned 18 December 2014)

SECRETARY

Tatiana Felicien

REGISTERED OFFICE

Reliance House
Sun Pier
Chatham
Kent
ME4 4ET

REGISTERED NUMBER

05878379 (England and Wales)

AUDITORS:

KPMG LLP
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

Interbay Holdings Ltd

Directors' Report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

The principal activity of Interbay Holdings Ltd (the "Company") is acting as a holding company for a group providing commercial mortgage loans. The directors do not foresee any changes to the company's business.

In August 2012, the entire share capital of the company's holding company was acquired by a wholly owned subsidiary of OneSavings Bank Plc ("OSB").

The company made a loss of £63 in the year (2013: profit £9).

Risk management

The main financial risks arising from the company's activities are credit, liquidity, operational and interest rate risk. The board has determined policies for each of these risks. The company's parent undertaking manages the interest rate, operational and liquidity risks arising from its operations. The company's exposure to retail credit risk is managed and monitored by the parent undertaking through a specialist department that reports to the Credit Committee and the Risk Committee.

Future developments

With the backing of OSB, the directors anticipate continued growth, across the Interbay Group, during 2015. The Interbay Group expects to continue making and managing specialist commercial mortgages.

Post Balance Sheet Events

There were no post balance sheet events after 31 December 2014.

Political and Charitable Donations

The company made no political or charitable donations during the year (2013: nil).

Directors and their interests

None of the directors who served during the year had any interest in the share capital of the business.

Auditors

Due to an internal reorganisation within KPMG, KPMG Audit Plc resigned as auditors. The directors approved the appointment of KPMG LLP, an intermediate parent of KPMG Audit Plc, as auditor of the company. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Interbay Holdings Ltd

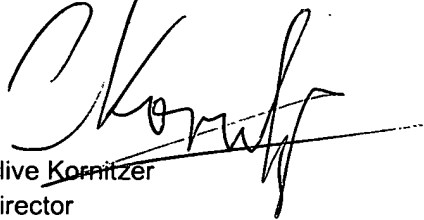
Directors' Report

For the year ended 31 December 2014

Disclosure of information to auditor

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Clive Kornitzer', written over a horizontal line.

Clive Kornitzer

Director

24 August 2015

Interbay Holdings Ltd

Statement of Directors' Responsibilities

For the year ended 31 December 2014

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

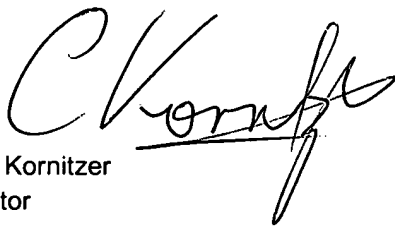
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Clive Kornitzer
Director

Interbay Holdings Ltd

Independent Auditor's Report

For the year ended 31 December 2014

Independent auditor's report to the members of Interbay Holdings Ltd

We have audited the financial statements of Interbay Holdings Ltd for the year ended 31 December 2014 on pages 8 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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 UK Generally Accepted Accounting Practice; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Interbay Holdings Ltd

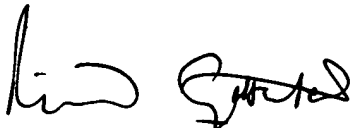
Independent Auditor's Report

For the year ended 31 December 2014

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Richard Gabbertas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW
27 August 2015

Interbay Holdings Ltd

Profit and Loss Account

For the year ended 31 December 2014

		Year ended 31/12/2014	Year ended 31/12/2013
	Notes	£	£
Interest receivable and similar income	2	30	-
Interest payable and similar charges	3	(21)	-
Net interest receivable		<u>9</u>	<u>-</u>
Administrative expenses	4	-	(63)
Profit/(loss) on ordinary activities before taxation		<u>9</u>	<u>(63)</u>
Tax (charge) / credit on ordinary activities	6	(72)	72
(Loss) / profit for the year		<u><u>(63)</u></u>	<u><u>9</u></u>

The (loss)/profit for the year was derived from continuing operations.

There were no recognised gains or losses other than the (loss)/profit for the year and accordingly no statement of recognised gains and losses is given.

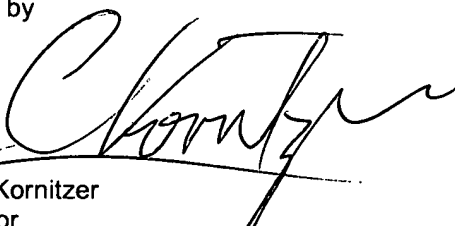
The notes on page 10 to 14 form part of these accounts.

Interbay Holdings Ltd
Balance Sheet
For the year ended 31 December 2014

	Notes	31/12/2014 £	31/12/2013 £
Fixed assets			
Investments	8	<u>100</u>	<u>100</u>
		100	100
Current assets			
Debtors	9	1,030	1,072
Cash at bank and in hand		<u>67</u>	<u>67</u>
		1,097	1,139
Current liabilities			
Creditors: amounts falling due within one year	10	(733)	(712)
Net current assets		<u>364</u>	<u>427</u>
Total assets less current liabilities		<u><u>464</u></u>	<u><u>527</u></u>
Capital and reserves			
Share capital	11	1,000	1,000
Profit & loss account	12	(536)	(473)
Equity shareholders' funds		<u><u>464</u></u>	<u><u>527</u></u>

The notes on pages 10 to 14 form part of these accounts.

The accounts were approved by the board of directors on 24 August 2015 and were signed on its behalf by


Clive Kornitzer
Director

Interbay Holdings Ltd

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Interest

Receipts and payments of interest are accounted for on an accruals basis.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1, because a consolidated cash flow statement is included in the consolidated accounts of its ultimate parent undertaking, OneSavings Bank Plc.

Going Concern

The company is dependent on continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due. OneSavings Bank Plc has agreed to provide sufficient funds to the company for these purposes. The directors believe therefore that it is appropriate to prepare these accounts on a going concern basis.

Related party transactions

The directors have taken advantage of the exemptions available in Financial Reporting Standard 8 from disclosing transactions with related parties that are members of the OneSavings Bank Plc Group.

Interbay Holdings Ltd
Notes to the financial statements
For the year ended 31 December 2014

2. Interest receivable and similar income

	Year ended 31/12/2014 £	Year ended 31/12/2013 £
Interest receivable on loan to group undertaking	<u>30</u>	<u>-</u>

3. Interest payable and similar charges

	Year ended 31/12/2014 £	Year ended 31/12/2013 £
Interest payable on loans from other group companies	<u>21</u>	<u>-</u>

4. Administrative expenses

The audit fee for the year was borne and accounted for by a fellow subsidiary of the Interbay Group, Interbay Funding, Ltd, which was £20,000 for 2014 (2013: £20,000).

5. Information regarding directors and employees

The company has no staff and the directors receive no remuneration from this company (2013: Nil).

6. Tax on Profit / (Loss) on ordinary activities

a) Analysis of charge in year

	Year ended 31/12/2014 £	Year ended 31/12/2013 £
Opening balance for Recognition of previously un-recognised deferred tax asset	-	58
Deferred tax credit for the year	-	14
Write off of deferred tax asset from previous period	(72)	-
Current tax charge	<u>(72)</u>	<u>72</u>

7. Deferred Taxation

Interbay Holdings Ltd
Notes to the financial statements
For the year ended 31 December 2014

	Year ended 31/12/2014 £	Year ended 31/12/2013 £
At 1 January	72	-
Recognition of previously un-recognised deferred tax asset	-	58
Credit of deferred tax for the year	-	14
Write off of deferred tax asset from previous period	(72)	
At 31 December	<u><u>-</u></u>	<u><u>72</u></u>

The elements of deferred taxation are as follows:

	31/12/2014 £	31/12/2013 £
Tax loss	72	72
Write off of deferred tax asset from previous periods	(72)	-
Deferred tax asset	<u><u>-</u></u>	<u><u>72</u></u>

Deferred tax assets and liabilities on all timing differences have been calculated at 20%, being the rate of UK corporation tax that was enacted at the balance sheet date, including those expected to reverse in the year ended 31 December 2015. The impact of this, and that of the below changes in the corporation tax rate, on the financial statements is not considered to be material.

The UK corporation tax rate was reduced from 23% to 21% on 1 April 2014. It was announced that this rate would be reduced to 20% with effect from 1 April 2015. Both of these rates were enacted at the balance sheet date. There are no other factors that may significantly affect future tax charges.

8. Fixed asset investments

	Investment in subsidiary companies £
Cost	
At 1 January 2014 and 31 December 2014	<u><u>100</u></u>
Net book value	
At 31 December 2013 and 31 December 2014	<u><u>100</u></u>

Subsidiary undertakings

Interbay Holdings Ltd

Notes to the financial statements

For the year ended 31 December 2014

The following were subsidiary undertakings of the company:

Name	Class of Shares	Holding
Inter Bay Financial I Limited	Ordinary	100%
Inter Bay Financial II Limited	Ordinary	100%
<u>Subsidiaries in Inter Bay Financial I Ltd:</u>		
5D Finance Limited	Ordinary	100%
5D Lending Ltd	Ordinary	100%
<u>Subsidiaries in Inter Bay Financial II Ltd:</u>		
Interbay Funding, Ltd	Ordinary	100%
Interbay ML, Ltd	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2014, and the profit and loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £'000	Profit/(Loss) £'000
Inter Bay Financial I Limited	(16,318)	(1,215)
Inter Bay Financial II Limited	(3,711)	(383)
5D Finance Limited	1,385	264
5D Lending Ltd	134	(80)
Interbay Funding, Ltd	26,775	1,153
Interbay ML, Ltd	9,501	4,799

9. Debtors

	31/12/2014	31/12/2013
	£	£
Due within one year:		
Amounts owed by group undertakings	1,030	1,000
Deferred tax (see note 7)	-	72
	<u>1,030</u>	<u>1,072</u>

10. Creditors: Amounts falling due within one year

	31/12/2014	31/12/2013
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Interbay Holdings Ltd
Notes to the financial statements
For the year ended 31 December 2014

	£	£
Amounts due to group undertaking	<u>733</u>	<u>712</u>

11. Called up share capital

	2014	2013
	£	£
Authorised, Allotted, called up and fully paid		
100,000 A Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

12. Reconciliation of shareholders' funds and movement on reserves

	Share Capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2014	1,000	(473)	527
Loss for the year	-	(63)	(63)
At 31 December 2014	<u>1,000</u>	<u>(536)</u>	<u>464</u>

13. Ultimate parent undertaking

At the Balance Sheet Date Interbay Holdings Ltd was a wholly owned subsidiary of OneSavings Bank Plc, which has included the company in its group accounts. This is the smallest and largest group in which the company's accounts are consolidated. Copies of these accounts are available from the Bank's registered office: Reliance House, Sun Pier, Chatham, Kent ME4 4ET.