

Company Registration No. 05248512

**OLD OAK HOLDINGS LIMITED**

**Report and Consolidated Financial Statements**

**For the year ended 31 December 2022**

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# **OLD OAK HOLDINGS LIMITED**

## **REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2022**

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# **OLD OAK HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2022**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

M B Hughes  
Sir G R Mathewson  
M Kerr–Dineen  
J McFarlane  
M Gilbert

#### **SECRETARY**

M McKay

#### **REGISTERED OFFICE**

Ferguson House  
15 Marylebone Road  
London  
NW1 5JD

#### **BANKERS**

Royal Bank of Scotland PLC  
280 Bishopsgate  
London  
EC2M 4RB

#### **SOLICITORS**

Addleshaw Goddard  
Milton Gate  
60 Chiswell Street  
London  
EC1Y 4AG

#### **AUDITOR**

Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes MK9 1FF

## **OLD OAK HOLDINGS LIMITED**

### **STRATEGIC REPORT**

The directors present their strategic report on the affairs of the group for the year ended 31 December 2022. The company has complied with section 414 of the Companies Act 2006 in preparing this strategic report.

#### **THE BUSINESS MODEL**

The business of the group comprises investment fund management and other associated management services.

The subsidiaries and associated undertakings principally affecting the profits or net assets of the group in the year are listed in note 10 to the financial statements.

#### **A FAIR REVIEW OF THE BUSINESS**

The results for the year and financial position of the group are as shown in the attached financial statements. The group's net assets decreased during the year to £239,742,384 at 31 December 2022 from £326,956,706 the previous year. This is the result of the decrease in value of the group's investments following on from the stock market fall in 2022 caused by the Russia – Ukraine and cost-of-living crisis; the profit and loss account reports a fall in the value of investments of £76,902,002. The effects of these crisis are continuing to reverse and the value of the investments has increased since the year end. The directors are confident that this trend will continue and profitability will continue into the future.

#### **FUTURE DEVELOPMENTS**

The directors believe that the group's ability to deal with difficult financial markets has been clearly evident in recent years and are therefore confident that profits will continue to be generated into the future.

#### **GOING CONCERN**

After making enquiries, and based on their knowledge of the economic environment and the financial industry in particular, the directors have formed a judgement, at the time of approving the financial statements, that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The fund management businesses derive their fees from funds managed by the group's subsidiary and associated entities. Projections made in respect of this income show that it is more than adequate to sustain these businesses well into the future, even when possible further market fluctuations are considered. For this reason the directors continue to adopt the going concern basis in preparing the financial statements of the company and the group.

The group's principle activity is investment fund management.

#### **SUBSEQUENT EVENTS**

In March 2023 the subsidiary Tosca Debt Capital LLP was sold. There have been no other events subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

# OLD OAK HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

### PRINCIPAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of financial risks and uncertainties including market, credit, liquidity and operational risk. The group regards the monitoring and controlling of risk as a fundamental part of the management process. A more detailed explanation of the risks to which the group is exposed, and its strategy for managing these risks, is discussed below and in note 23.

#### Market risk

The group has market risk exposure in respect of equity shareholdings held in the investment funds which are managed by the group and are maintained for trading purposes. The market risk associated with these positions is monitored on a regular basis.

#### Credit risk

The group's principal financial assets are bank balances and cash and trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk related to liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### Liquidity risk

The group maintains sufficient liquidity to ensure that funds are available for ongoing operations and future developments.

#### Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It is inherent in every business operation and covers a wide spectrum of potential issues. The group manages this risk by operating an environment in which processes are documented, authorisation is independent and transactions are reconciled and monitored.


#### Interest rate risk

Interest rate risk represents the sensitivity of the group to changes in interest rates. The group is exposed to interest rate changes due to the bank loan. The risk is managed due to weekly reports being completed and the loan being secured on current asset investments.

#### Capital risk

The group's primary objective in managing capital is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The group manages its capital by continuous monitoring of the capital requirements ensuring that its capital exceeds these requirements.

Approved by the Board and signed on its behalf by:

 (Jul 26, 2023 11:53 GMT+1)

M Gilbert  
Director

26 July 2023

# **OLD OAK HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 December 2022.

Certain matters which are required to be disclosed by s416 of the Companies Act 2006 are included in the Strategic Report on page 2.

### **DIVIDENDS**

No dividend was paid or proposed in respect of the current year or the previous year.

### **DIRECTORS**

The following directors served throughout the year:

M B Hughes  
Sir G R Mathewson  
M Kerr-Dineen  
J McFarlane  
M Gilbert

### **SUPPLIER PAYMENT POLICY**

The group's policy is to establish terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by those terms.

### **CHARITABLE AND POLITICAL CONTRIBUTIONS**

During the year the group made charitable donations of £55,273 (2021 - £121,200). No political contributions were made in the year (2021: £nil).

### **DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

Each person who was a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **AUDITOR**

The directors will place a resolution before the Annual General Meeting to re-appoint Mazars LLP as auditor for the forthcoming year.

Approved by the Board and signed on its behalf by:

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Martin Gilbert (Jul 26, 2023 11:53 GMT+1)

M Gilbert  
Director

26 July 2023

## **OLD OAK HOLDINGS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 the 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 of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD OAK HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Old Oak Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise of the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, 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 FRS 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 group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

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

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

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 group's and the parent 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.

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD OAK HOLDINGS LIMITED (continued)**

### **Other information**

The other information comprises the information included in the Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD OAK HOLDINGS LIMITED (continued)**

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, anti-bribery, general data protection regulation, fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD OAK HOLDINGS LIMITED (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006 and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of current asset investments, revenue recognition which we pinpointed to the completeness, occurrence and accuracy assertions, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

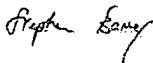
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

### **Use of the audit report**

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.



Stephen Eames  
(Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes, MK9 1FF

Date: 26 July 2023

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	1	29,432,389	43,676,639
Administrative expenses		(15,001,742)	(15,042,079)
<b>Operating profit</b>	4	14,430,647	28,634,560
(Decrease)/increase in value of investments	13	(76,902,002)	88,280,561
Income from current asset investments		338,790	12,880,346
(Loss)/profit on sale of investments		(2,202,062)	1,144,012
Share of associates' operating profit		310,052	675,222
Interest receivable and similar income	5	132,996	303,650
Interest payable and similar charges	6	(6,616,005)	(5,967,452)
<b>(Loss)/profit before taxation</b>		(70,507,584)	125,950,899
Tax credit/(charge) on (loss)/profit	7	10,194,760	(16,496,739)
<b>(Loss)/profit after taxation</b>		<u>(60,312,824)</u>	<u>109,454,160</u>
<b>(Loss)/profit for the financial year attributable to:</b>			
- non-controlling interests	19	5,251,961	32,968,320
- equity shareholders of the company		(65,564,785)	76,485,840
<b>(Loss)/profit for the financial year</b>		<u>(60,312,824)</u>	<u>109,454,160</u>

All activities relate to continuing operations.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December 2022**

	Note	2022 £	2021 £
Loss/(profit) for the financial year		(60,312,824)	109,454,160
(Loss)/profit on foreign currency translation arising during the period	18	(27,063)	2,027
<b>Total comprehensive (deficit)/income for the financial year</b>		<u>(60,339,887)</u>	<u>109,456,187</u>

**CONSOLIDATED BALANCE SHEET**  
**31 December 2022**

	Notes	£	2022 £	£	2021 £
<b>FIXED ASSETS</b>					
Tangible assets	9		2,686,725		3,088,506
Investments	10		159,004		159,004
Goodwill	11		-		-
			<u>2,845,729</u>		<u>3,247,510</u>
<b>CURRENT ASSETS</b>					
Debtors	12	15,050,627		21,859,480	
Current asset investments	13	309,164,182		395,561,802	
Cash at bank		<u>6,801,584</u>		<u>13,903,175</u>	
		331,016,393		431,324,457	
<b>CREDITORS - amounts falling due within one year</b>	14	<u>(7,323,488)</u>		<u>(11,994,010)</u>	
<b>NET CURRENT ASSETS</b>			<u>323,692,905</u>		<u>419,330,447</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			326,538,634		422,577,957
<b>CREDITORS - amounts falling in more than one year</b>	15		(69,076,250)		(68,621,250)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	16		<u>(17,720,000)</u>		<u>(27,000,000)</u>
<b>NET ASSETS</b>			<u>239,742,384</u>		<u>326,956,707</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		1,000		1,000
Merger reserve			649,100		649,100
Profit and loss account			263,731,304		329,296,089
Foreign exchange reserve			<u>(109,390)</u>		<u>(82,327)</u>
<b>SHAREHOLDER'S FUNDS</b>	18		264,272,014		329,863,862
Non-controlling interest	19		<u>(24,529,630)</u>		<u>(2,907,155)</u>
<b>TOTAL CAPITAL EMPLOYED</b>			<u>239,742,384</u>		<u>326,956,707</u>

The financial statements were approved by the board of directors and authorised for issue on 26 July 2023.  
They were signed on its behalf by:

Martin Gilbert (Jul 26, 2023 11:53 GMT+1)  
M Gilbert – Director

**COMPANY BALANCE SHEET**  
**31 December 2022**

	Notes	£	2022 £	£	2021 £
<b>FIXED ASSETS</b>					
Investments	10		2,412,851		1,393,898
<b>CURRENT ASSETS</b>					
Debtors	12	62,552,358		57,025,335	
Investments	13	-		3,512,943	
Cash at bank		433,600		549,898	
			<u>62,985,958</u>	<u>61,088,176</u>	
<b>CREDITORS – amounts falling due within one year</b>	14	<u>(26,223,426)</u>		<u>(24,576,759)</u>	
<b>NET CURRENT ASSETS</b>			<u>36,762,532</u>		<u>36,511,417</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>39,175,383</u>		<u>37,905,315</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		1,000		1,000
Profit and loss account			<u>39,174,383</u>		<u>37,904,315</u>
<b>Shareholder's funds</b>			<u>39,175,383</u>		<u>37,905,315</u>

The financial statements were approved by the board of directors and authorised for issue on 26 July 2023.  
They were signed on its behalf by:

~~Martin Gilbert~~ (Jul 26, 2023 11:53 GMT+1)

M Gilbert  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2022**

**Group**

	<b>Profit and loss account £</b>	<b>Merger reserve £</b>	<b>Foreign exchange reserve £</b>	<b>Non- controlling interest £</b>	<b>Called up share capital £</b>	<b>Total £</b>
At 31 December 2020	252,800,790	649,100	(84,354)	(6,120,810)	1,000	247,245,726
Profit for the year	76,485,840	-	-	32,968,320	-	109,454,160
Profit on foreign currency translation arising during the year	-	-	2,027	-	-	2,027
Sale of Subsidiary	9,459	-	-	-	-	9,459
Withdrawn by minority interests	-	-	-	(29,754,665)	-	(29,754,665)
At 31 December 2021	329,296,089	649,100	(82,327)	(2,907,155)	1,000	326,956,707
Profit for the year	(65,564,785)	-	-	5,251,961	-	(60,312,824)
Profit on foreign currency translation arising during the year	-	-	(27,063)	-	-	(27,063)
Withdrawn by minority interests	-	-	-	(26,874,436)	-	(26,874,436)
At 31 December 2022	263,731,304	649,100	(109,390)	(24,529,630)	1,000	239,742,384

**Company**

	<b>Profit and loss account £</b>	<b>Called up share capital £</b>	<b>Total £</b>
At 31 December 2020	30,438,714	1,000	30,439,714
Profit for the year	7,465,601	-	7,465,601
Dividend paid	-	-	-
At 31 December 2021	37,904,315	1,000	37,905,315
Profit for the year	1,270,068	-	1,270,068
Dividend paid	-	-	-
At 31 December 2022	39,174,383	1,000	39,175,383

**CONSOLIDATED CASH FLOW STATEMENT**

**For the year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>Net cash flow from operating activities</b>	20	18,122,366	23,881,453
<b>Cash flows from investing activities</b>			
Interest received and similar income		132,996	303,650
Income from current asset investments		344,016	12,880,346
Interest paid		(6,616,005)	(5,967,452)
Cash from associates		117,393	530,381
Sale of current asset investments		50,058,618	74,981,267
Purchase of tangible fixed assets		(43,093)	(325,343)
Purchase of intangible investments		(28,157)	-
Purchase of current asset investments		(42,765,063)	(72,790,726)
Sale of fixed asset investments		-	9,459
<b>Net cash flows from investing activities</b>		<u>1,200,705</u>	<u>9,621,582</u>
<b>Cash flows from financing activities</b>			
Withdrawn by minority interest		(26,879,662)	(29,754,665)
Dividend paid		-	-
<b>Net cash flows from financing activities</b>		<u>(26,879,662)</u>	<u>(29,754,665)</u>
<b>Increase/(decrease) in cash in the year</b>	21	<u>(7,556,591)</u>	<u>3,748,370</u>



**NOTES TO THE ACCOUNTS****31 December 2022****1. ACCOUNTING POLICIES**

The company is a private limited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is set out on page 1 and its principle activities are described in the Strategic Report.

The principal accounting policies which have been consistently adopted in the current and prior year in the presentation of the accounts are set out below.

The functional and presentational currency is GBP.

Old Oak Holdings Limited meets the definition of a qualifying entity under FRS 100. Old Oak Holdings Limited prepares consolidated financial statements and has therefore taken advantage of the disclosure exemptions available to it in respect of its company only financial statements. Exemptions have been taken in the company only financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

**Accounting convention**

The accounts are prepared under the historical cost convention modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

**Going concern**

After making enquiries, and based on their knowledge of the economic environment and the financial industry in particular, the directors have formed a judgement, at the time of approving the financial statements, that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The fund management businesses derive their fees from funds under management held by Toscafund Asset Management LLP. Projections made in respect of this income show that it is more than adequate to sustain these businesses well into the future, even when possible further market fluctuations are considered. For this reason the directors continue to adopt the going concern basis in preparing the financial statements of the company and the group.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. Investments in associated undertakings are accounted for under the equity method. A listing of subsidiary and associated undertakings is included in note 10.

**Goodwill**

Goodwill arises on the consolidation of the subsidiary company, Toscafund Australia PTY Limited, and is amortised over one year. Goodwill is tested for impairment annually with any necessary adjustment being charged against profits in the year.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part.

**NOTES TO THE ACCOUNTS**  
**31 December 2022**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets**

Leasehold improvements, fixtures and fittings and office equipment are stated at cost less accumulated depreciation and any recognised impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	-	amortised over the period of the lease
Fixtures and fittings	-	25% on reducing balance
Office equipment	-	25% on reducing balance

**Taxation**

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Foreign currencies**

The group's functional currency is sterling. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing when the fair value was determined. All exchange differences are reflected in the profit and loss account.

The results of foreign subsidiaries are translated at the average exchange rate for the reporting period and the balance sheet is translated at the closing rate of exchange. Exchange differences arising on the translation of the opening net assets of foreign subsidiaries are recognised as other comprehensive income.

**Financial instruments**

The group classifies its financial instruments as "Loans and receivables", "Financial liabilities at amortised cost", and "Financial assets at fair value through profit or loss". The classification depends on the purpose of the financial instruments. Management determines the classification of these financial instruments at initial recognition and re-evaluates this designation at each reporting date.

**(i) Loans and receivables**

These amounts include short-term loans and sundry receivables, classified as debtors due in less than one year or more than one year according to the maturity date of the transactions as shown on the balance sheet. They are non-derivative financial assets with fixed or determinable payment dates that are not quoted in an active market. They are measured at amortised cost using the effective interest rate method less any impairment.

Amounts owed by group undertakings and participating interests include non-trading balances. Non-trading balances are disclosed net, where appropriate.

## NOTES TO THE ACCOUNTS

31 December 2022

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (continued)

##### (ii) Financial liabilities at amortised cost

These amounts include short-term payables and sundry creditors, classified as creditors due in less than one year or more than one year according to the maturity date of the transactions as shown on the balance sheet. They are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost using the effective interest rate method.

Amounts owed to group undertakings and participating interests include non-trading balances. Non-trading balances are disclosed net, where appropriate.

##### (iii) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit and loss where the financial asset is either held for trading or it is designated as at fair value through profit and loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit and loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 26 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at fair value through profit and loss.

Financial assets at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in the profit and loss account. The net gain or loss recognised in the profit and loss account incorporates any dividend or interest earned on the financial asset and is included in the '(decrease)/ increase in value of investments' line. Current asset investments are included in this category.

##### (iv) Impairment of tangible fixed assets and fixed assets investments

At each balance sheet date, the group reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a decrease in revaluation reserve.

##### (v) Trade receivables

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired.

**NOTES TO THE ACCOUNTS****31 December 2022****1. ACCOUNTING POLICIES (CONTINUED)****Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents all fees and commissions earned as a result of the group's investment management activities, recorded on a transaction date basis. Turnover consists of investment management fees received from the funds that the group manages. The directors of the group regard turnover, for the purpose of segmental activity, as derived from one single activity conducted in the United Kingdom.

Interest income is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**Fixed asset investments**

Fixed asset investments in group companies are shown at cost less provision for impairment in the parent company's accounts.

**Associates**

In the group financial statements, investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the group's share of associates' profits less losses. The group's share of the net assets of the associates is shown in the consolidated balance sheet.

**Netting of balances**

Amounts due to and from counterparties are shown net where there is the intention and a currently enforceable legal right to set off the recognised amounts.

**Critical judgements and key sources of estimation uncertainty**

No areas of significant importance to the accounts are subject to critical judgement. Accordingly, there are no key sources of estimation uncertainty.

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**2. STAFF COSTS**

<b>Group</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Wages and salaries	6,511,286	7,371,747
Social security costs	649,130	799,816
Other pension costs	310,134	258,349
	<u>7,470,550</u>	<u>8,429,912</u>
Average number of persons employed during the period including directors:		
Fund management	14	14
Administration	24	27
	<u>38</u>	<u>41</u>
<b>Company</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Wages and salaries	523,660	867,799
Social security costs	75,792	114,779
	<u>599,452</u>	<u>982,578</u>
Average number of persons employed during the period:		
Directors	5	5
Other	1	1
	<u>6</u>	<u>6</u>

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**3. DIRECTORS' REMUNERATION**

	2022 £	2021 £
<b>Directors' remuneration</b>		
Emoluments	523,660	867,799
	<u>£</u>	<u>£</u>
<b>Remuneration of the highest paid director:</b>		
Emoluments	211,830	378,431
	<u>£</u>	<u>£</u>

The figures stated above relate to remuneration paid by Old Oak Holdings Limited to the directors of that company. None of the Old Oak directors received remuneration from any of the subsidiary companies. There were no benefits paid to directors in 2022 or 2021 other than the emoluments detailed above.

**4. OPERATING PROFIT**

Operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	444,874	460,282
Amortisation of goodwill	28,157	-
Operating lease rentals - buildings	-	-
Auditors' remuneration for audit services		
- Fees payable to the company's auditor for the audit of subsidiaries	67,945	82,800
- Fees payable to the company's auditor for the audit of the company's annual accounts	35,700	60,370
	<u>£</u>	<u>£</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022 £	2021 £
Interest receivable on bank balances	9,208	7,467
Dividends	-	-
Other income	123,788	296,183
	<u>£</u>	<u>£</u>
	132,996	303,650
	<u>£</u>	<u>£</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2022 £	2021 £
Loan interest	6,616,005	5,967,452
	<u>£</u>	<u>£</u>

# NOTES TO THE ACCOUNTS

31 December 2022

## 7. TAX ON PROFIT

### Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	146,164	3,526,579
Adjustment in respect of prior year	(1,060,924)	(29,840)
Total current tax	(914,760)	3,496,739
Deferred taxation – charge/(credit) in the year (see note 16)	(9,280,000)	13,000,000
<b>Tax charge/(credit) on profit/(loss)</b>	<b>(10,194,760)</b>	<b>16,496,739</b>

UK corporation tax was charged at 19% in 2022 and 2021.

### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
<b>Group (loss)/profit before tax</b>	<b>(70,507,584)</b>	<b>125,950,899</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 – 19%)	(13,396,442)	23,930,671
Effects of:		
Expenses not deductible for tax purposes	22,015	(280,118)
Accounting losses not allowable/(income not taxable)	13,037,127	(16,085,328)
Profits and losses of partnership therefore not taxed/deducted within the group	(997,873)	(6,263,981)
Difference between accounting profit and taxable profit on disposal of investments	1,481,337	2,225,335
Effect of change in deferred tax provision	(9,280,000)	13,000,000
Adjustment in respect of prior year	(1,060,924)	(29,840)
<b>Group total tax (credit)/charge for the year</b>	<b>(10,194,760)</b>	<b>16,496,739</b>

The timing differences giving rise to the deferred tax provision have no expiry date. None of these timing differences are expected to reverse in the forthcoming year.

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**7. TAX ON PROFIT (continued)**

**Factors affecting the tax charge**

The Finance Act 2020 enacted legislation to maintain the current rate of corporation tax at 19% up until at least the tax year ended 30 April 2022. On 3 March 2021, the UK Budget announcement stated that in April 2023, the Corporation Tax rate will be increased from 19% to 25%. Deferred tax balances at the reporting date are measured at 25% (2021: 19%) as this is the rate that has been substantively enacted from April 2023.

**8. PROFIT ATTRIBUTABLE TO THE COMPANY**

The parent company generated a profit for the financial year, which has been included in these financial statements, of £1,270,068 (2021 – £7,465,601) after taxation. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

**9. TANGIBLE FIXED ASSETS**  
**Group**

	<b>Leasehold improvements £</b>	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2022	4,437,953	997,696	367,732	5,803,381
Additions	-	19,730	23,363	43,093
	<u>4,437,953</u>	<u>1,017,426</u>	<u>391,095</u>	<u>5,846,474</u>
At 31 December 2022	4,437,953	1,017,426	391,095	5,846,474
<b>Depreciation</b>				
At 1 January 2022	1,669,142	752,750	292,983	2,714,875
Charge for the year	352,259	63,915	28,700	444,874
	<u>2,021,401</u>	<u>816,665</u>	<u>321,683</u>	<u>3,159,749</u>
At 31 December 2022	2,021,401	816,665	321,683	3,159,749
<b>Net book value</b>				
At 31 December 2022	<u>2,416,552</u>	<u>200,761</u>	<u>69,412</u>	<u>2,686,725</u>
At 31 December 2021	<u>2,768,811</u>	<u>244,946</u>	<u>74,749</u>	<u>3,088,506</u>



NOTES TO THE ACCOUNTS

31 December 2022

10. FIXED ASSET INVESTMENTS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Subsidiary undertakings	-	-	2,412,851	1,393,898
Associates	159,004	159,004	-	-
	<u>159,004</u>	<u>159,004</u>	<u>2,412,851</u>	<u>1,393,898</u>

*Principal group investments*

As at 31 December 2022, the parent company and the group had investments in the following subsidiary undertakings:

Subsidiary undertakings	Country of incorporation	Principal activity	Holding	%
<u>Investment entities</u>				
Toscafund GP Limited	United Kingdom	Investment Fund Management	Voting interest	100
Toscafund GP (7) Limited	United Kingdom	Investment Fund Management	Voting interest	100
Toscafund Carry GP Limited	Cayman Islands	Investment Fund Management	Voting interest	100
Tosca Debt Limited	United Kingdom	Investment Fund Management	Voting interest	100
Toscafund GP Holdings Limited	United Kingdom	Investment Fund Management	Voting interest	100
Toscafund Carry LP	United Kingdom	Investment holding	Voting interest	51
Tosca Carry GP LLP	United Kingdom	Investment Fund Management	Voting interest	51
Tosca Debt Capital GP II LLP	United Kingdom	Investment Fund Management	Voting interest	51
Tosca Debt Capital GP III LLP	United Kingdom	Investment Fund Management	Voting interest	51
TDC Carry LP	United Kingdom	Investment Fund Management	Voting interest	51
Tosca Coinvest Nominee SARL	Luxembourg	Investment Fund Management	Voting interest	100
Tosca Coinvest GP SARL	Luxembourg	Investment Fund Management	Voting interest	100

NOTES TO THE ACCOUNTS

31 December 2022

10. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Holding	%
<u>Trading entities</u>				
Toscalfund Limited	United Kingdom	Partner in Trading partnership	Ordinary £1 shares	100
Toscalfund Investments Limited	United Kingdom	Investment vehicle	Ordinary £1 shares	100
Tosca Penta Holdings Limited	United Kingdom	Private Equity Investment management	Ordinary £1 shares	100
Quantmetriks Research Limited	United Kingdom	Provision of research to the finance industry	Ordinary £1 shares	100
Tosca Debt Capital LLP	United Kingdom	Provision of debt advisory services	Voting interest	98
Toscalfund Asset Management LLP	United Kingdom	Investment Fund Management	Voting interest	51
Toscalfund US Limited	United States of America	Marketing vehicle	Voting interest	100
Toscalfund PTY Limited	Australia	Marketing vehicle	Voting interest	100
Toscalfund Australia PTY Limited	Australia	Investment Fund Management	Voting interest	100
Toscalfund HK Limited	Hong Kong	Investment Fund Management	Voting interest	100

Subsidiary registered office

United Kingdom companies	5th Floor, Ferguson House, 15 Marylebone Road, London, NW1 5JD (except Tosca Debt Capital LLP which is Trinity, 16 John Dalton Street, Manchester, M2 6HY)
Cayman Island companies	PO Box 309 GT, Ugland House, George Town, Grand Cayman, KY1-1104, Cayman Islands
United States of America Company	Suite 108/109, 34 East Putnam Avenue, Greenwich, Connecticut, 06830, USA
Australian companies	Level One, 500 Collins Street, Melbourne, VIC 3000, Australia
Luxembourg entity	20 rue de la Poste, L-2346 Luxembourg
Hong Kong company	Suites 2111-12, 21/F Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsimshatsui, Kowloon, Hong Kong

NOTES TO THE ACCOUNTS

31 December 2022

10. FIXED ASSET INVESTMENTS (continued)

Associate undertakings	Country of incorporation	Principal activity	Holding	%
Penta Capital LLP	Great Britain	Investment Fund Management	Voting interest	38

The registered office of Penta Capital LLP is 150 St Vincent Street, Glasgow, G2 5NE.

*Associates*

	Group £	Company £
<b>Share of net assets / Cost and net book value</b>		
At 1 January 2022	159,004	-
Purchase of investment	-	-
Disposal of investments	-	-
	<u>159,004</u>	<u>-</u>
At 31 December 2022	<u>159,004</u>	<u>-</u>

11. GOODWILL

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
As at 1 January	-	-	-	-
Additions	28,157	-	-	-
Amortisation	(28,157)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The goodwill noted above derived from the acquisition of shares in Toscafund Australia PTY Limited in 2022.

12. DEBTORS

	Group		Company	
Due within one year	2022 £	2021 £	2022 £	2021 £
Trade debtors	9,054,605	17,984,765	-	-
Amounts owed by group undertakings	-	-	62,550,877	57,023,776
Amounts owed by associates	1,017,370	824,711	-	-
Other debtors	3,962,357	2,524,288	1,411	1,559
Corporation tax recoverable	254,375	-	70	-
Prepayments and accrued income	761,920	525,716	-	-
	<u>15,050,627</u>	<u>21,859,480</u>	<u>62,552,358</u>	<u>57,025,335</u>

The carrying amounts for debtors approximate their fair value.

**NOTES TO THE ACCOUNTS**  
**31 December 2022**

**13. CURRENT ASSET INVESTMENTS**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Unlisted investments				
Value as at 1 January	380,239,762	289,011,620	3,512,943	1,763,857
Invested in the year	42,765,060	72,790,726	-	-
Disposals in the year	(36,938,639)	(67,982,963)	(3,512,943)	-
Movement in market value	(76,902,002)	86,420,378	-	1,749,086
Value as at 31 December	<u>309,164,182</u>	<u>380,239,762</u>	<u>-</u>	<u>3,512,943</u>
Listed investments				
Value as at 1 January	15,322,041	19,316,150	-	-
Invested in the year	-	-	-	-
Disposals in the year	(15,322,041)	(5,854,292)	-	-
Movement in market value	-	1,860,183	-	-
Value as at 31 December	<u>-</u>	<u>15,322,041</u>	<u>-</u>	<u>-</u>
Combined value as at 31 December	<u>309,164,182</u>	<u>395,561,802</u>	<u>-</u>	<u>3,512,943</u>

The investments referred to above represent, principally, shares purchased in funds managed by the group's subsidiary and associated entities, Toscafund Asset Management LLP and Penta Capital LLP.

The fair value per unit of investments held in the unlisted funds is determined using values provided by third-party providers based on the fair valued assets less fair valued liabilities in the funds (see note 23).

**NOTES TO THE ACCOUNTS**  
**31 December 2022**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

The carrying amounts for creditors approximate their fair value.

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	75,303	181,011	-	-
Amounts owed to group undertakings	-	-	25,900,000	22,160,873
Corporation tax payable	-	3,250,599	-	1,730,127
Social security and other taxes	117,706	515,320	14,258	12,190
Accruals and deferred income	7,009,280	8,025,423	309,168	673,569
Other creditors	121,198	21,657	-	-
	<u>7,323,488</u>	<u>11,994,010</u>	<u>26,223,426</u>	<u>24,576,759</u>

**15. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loan	<u>69,076,250</u>	<u>68,621,250</u>

The bank loan is repayable in a single payment in 2025 and is secured on the group's current asset investments.

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**16. PROVISION FOR LIABILITIES AND CHARGES**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
The deferred tax liability is made up as follows:		
Movement on deferred taxation		
Opening balance	(27,000,000)	(14,000,000)
Credit/(charge) to profit and loss account (see note 7)	9,280,000	(13,000,000)
	<u>(17,720,000)</u>	<u>(27,000,000)</u>
Closing balance	<u>(17,720,000)</u>	<u>(27,000,000)</u>
Analysis of deferred taxation balance		
Short - term timing differences from gain on investments	(17,720,000)	(27,000,000)
Deferred tax liability recognised	<u>(17,720,000)</u>	<u>(27,000,000)</u>

The deferred tax liability is calculated at 25% (2021: 19%).

The timing differences giving rise to the deferred tax liability have no expiry date.

No reversals of this provisions are anticipated as it is unlikely that any of the relevant investments will be sold during 2023.

**17. SHARE CAPITAL**

	<b>2022 £</b>	<b>2021 £</b>
Allotted, issued and fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The Company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**18. RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS**

	2022 £	2021 £
(Loss)/profit for the financial year attributable to equity shareholders	(65,564,785)	76,485,840
Dividend paid	-	-
Disposal of subsidiary	-	9,459
Profit on foreign currency translation arising in the year	(27,063)	2,027
	<hr/>	<hr/>
<b>Net (decrease)/ addition to shareholders' funds</b>	<b>(65,591,848)</b>	<b>76,497,326</b>
Opening shareholders' funds	329,863,862	253,366,536
	<hr/>	<hr/>
Closing shareholders' funds	264,272,014	329,863,862
	<hr/> <hr/>	<hr/> <hr/>

**19. NON-CONTROLLING INTEREST**

	2022 £	2021 £
As at 1 January	(2,907,155)	(6,120,810)
Share of profit for the year	5,251,961	32,968,320
Withdrawn from group	(26,874,436)	(29,754,665)
	<hr/>	<hr/>
As at 31 December	(24,529,630)	(2,907,155)
	<hr/> <hr/>	<hr/> <hr/>

**20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
Operating profit	14,430,647	28,634,560
Adjustment for:		
Depreciation and amortisation	473,031	460,282
Decrease/(increase) in debtors	7,255,887	(6,359,833)
(Decrease)/increase in creditors	(1,419,923)	3,014,602
Foreign exchange (gain)/loss	(27,063)	2,027
Tax paid	(2,590,213)	(1,870,185)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>18,122,366</b>	<b>23,881,453</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**21. ANALYSIS AND RECONCILIATION OF NET FUNDS**

	<b>1 January 2022</b>	<b>Cash flow</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand and at bank	13,903,175	(7,101,591)	6,801,584
Loan	<u>(68,621,250)</u>	<u>(455,000)</u>	<u>(69,076,250)</u>
Net funds	<u><u>(54,718,075)</u></u>	<u><u>(7,556,591)</u></u>	<u><u>(62,274,666)</u></u>
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Movement in net funds in year		(7,556,591)	3,748,370
Net funds at 1 January		<u>(54,718,075)</u>	<u>(58,466,445)</u>
Net funds at 31 December		<u><u>(62,274,666)</u></u>	<u><u>(54,718,075)</u></u>

**22. FINANCIAL COMMITMENTS**

The following operating lease payments are committed to be paid:

	<b>Land and buildings</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	899,935	764,686
Within two and five years	3,412,542	3,500,982
After five years	<u>1,893,489</u>	<u>2,704,984</u>
Total	<u><u>6,205,966</u></u>	<u><u>6,970,652</u></u>



**NOTES TO THE ACCOUNTS****31 December 2022****23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The group's activities expose it to a number of financial risks including market risk, credit risk and liquidity risk. The group regards the monitoring and controlling of risk as a fundamental part of the management process. A more detailed explanation of the risks to which the group is exposed, and its strategy for managing these risks, is discussed below.

**Market risk**

The group has market risk exposure in respect of equity shareholdings in funds managed by Toscafund Asset Management LLP. These shareholdings are maintained for trading purposes and the market risk associated with these positions is monitored on a regular basis.

**Assets and liabilities held at fair value**

The group utilises market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The group primarily applies the market approach for recurring fair value measurements and endeavours to utilise the best available information. Accordingly, the group utilises valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The group is able to classify fair value balances based on the observability of those inputs. The determination of the classification gives the highest priority to unadjusted quoted prices in active exchange markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1 — Quoted prices are available in active exchange markets for identical assets or liabilities as of the reporting date. Active exchange markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange traded derivatives and listed equities.

Level 2 — Quoted prices in active and inactive markets are not available; however, pricing inputs are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic data. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category include non-exchange traded derivatives such as, forwards, swaps and options and certain exchange traded/cleared derivatives.

Level 3 — Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs. At each balance sheet date, the group performs an analysis of all assets and liabilities at fair value and includes in Level 3 all of those whose fair value is based on significant unobservable inputs.

An analysis of investments by level is provided on the next page:

# NOTES TO THE ACCOUNTS

31 December 2022

## 23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### Assets and liabilities held at fair value (continued)

	2022 £	2021 £
Level 1 investments	-	15,591,564
Level 2 investments	309,164,182	379,970,238
Total	<u>309,164,182</u>	<u>395,561,802</u>

### Credit risk

The group's principal financial assets are bank balances and cash and trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk related to liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The total credit exposure is as shown on the balance sheet.

The following table analyses amounts by age:

	Neither past due nor impaired £	0-3 months £	3-12 months £	Over 1 year £	Carrying value £
<b>As at 31 December 2022</b>					
Trade receivables	-	8,581,405	473,200	-	9,054,605
Cash and cash equivalents	-	6,801,584	-	-	6,801,584
Amounts owed by associates	-	1,017,370	-	-	1,017,370
Other debtors	-	4,978,652	-	-	4,978,652
	<u>-</u>	<u>21,379,011</u>	<u>473,200</u>	<u>-</u>	<u>21,852,211</u>

### As at 31 December 2021

Trade receivables	-	17,984,765	-	-	17,984,765
Cash and cash equivalents	-	13,903,175	-	-	13,903,175
Amounts owed by associates	-	824,711	-	-	824,711
Other debtors	-	3,050,004	-	-	3,050,004
	<u>-</u>	<u>35,762,655</u>	<u>-</u>	<u>-</u>	<u>35,762,655</u>

No provision for impairment of receivables existed at 31 December 2022 (2021: £nil). There has been no impairment of balances in the year.

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Liquidity risk**

The group maintains sufficient liquidity to ensure that funds are available for ongoing operations and future developments.

<b>As at 31 December 2022</b>	<b>Less than 3 months £</b>	<b>3-12 months £</b>	<b>1-5 years £</b>	<b>Total £</b>
Trade creditors	75,303	-	-	75,303
Social Security and other taxes	117,706	-	-	117,706
Amounts owed to associates	-	-	-	-
Other creditors	121,198	-	-	121,199
<b>Total</b>	<b>314,208</b>	<b>-</b>	<b>-</b>	<b>314,208</b>

<b>As at 31 December 2021</b>	<b>Less than 3 months £</b>	<b>3-12 months £</b>	<b>1-5 years £</b>	<b>Total £</b>
Trade creditors	181,011	-	-	181,011
Social Security and other taxes	515,320	-	-	515,320
Amounts owed to associates	-	-	-	-
Corporation tax payable	3,250,599	-	-	3,250,599
Other creditors	21,657	-	-	21,657
<b>Total</b>	<b>3,968,587</b>	<b>-</b>	<b>-</b>	<b>3,968,587</b>

**Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It is inherent in every business operation and covers a wide spectrum of potential issues. The group manages this risk by operating an environment in which processes are documented, authorisation is independent and transactions are reconciled and monitored.

**Interest rate risk**

Interest rate risk represents the sensitivity of the group to changes in interest rates. The group is exposed to interest rate changes due to the bank loan. The risk is managed due to weekly reports being completed and the loan being secured on current asset investments.

**NOTES TO THE ACCOUNTS**

**31 December 2022**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Foreign currency risk**

The functional currency for the group is sterling. Currency exposure primarily comprises trade debtors and cash balances and is monitored by management.

At 31 December 2022 the group held £2,151,395 (2021: £436,340) of cash denominated in foreign currencies (principally US and HK dollars) and £756,434 (2021: £5,854,946) of similarly denominated net non-cash assets.

A 10% appreciation/depreciation in the rates of these currencies would result in a £264,348 (2021: £571,935) increase/decrease in the group's equity.

**Capital risk**

The group's primary objective to managing capital is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The group manages its capital by continuous monitoring of the capital requirements ensuring that its capital exceeds these requirements.

**24. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemption under Section 33 of FRS 102 not to disclose transactions between entities, 100% of whose voting rights were controlled within the Old Oak Holdings Limited group.

During the year, Old Oak Holdings Limited levied management charges of £202,089 (2021 - £396,653) to its subsidiary, Toscafund Asset Management LLP, none of which had been paid at the year end.

The group received income from participating interests of £310,052 (2021: £675,222) during the year ended 31 December 2022.

During the year, Toscafund Limited recharged rent and property service costs of £- (2021: £ nil) to Toscafund Asset Management LLP, a partnership in which Toscafund Limited and Mr M Hughes are partners. The amount owing to the company from Toscafund Asset Management LLP as at 31 December 2022 was £39,648,743 (2021: £41,331,570). For 2022, Toscafund Asset Management LLP allocated profits of £100,000 (2021: £100,000) to Toscafund Limited.

**25. CONTROLLING PARTY**

Mr M B Hughes, a director of the company, controls the company as a result of direct holding of 100% of the issued share capital of the company.

**26. SUBSEQUENT EVENTS**

In March 2023 the subsidiary Tosca Debt Capital LLP was sold. There have been no other events subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.