

Annual Report and Financial Statements LDF Operations Limited

For the Year Ended 31 December 2022



Registered number: 02029122

Company Information

Directors	A Davies
	D Banks
	K Berry
	T Otte
Company Secretary	R Rutherford
Registered Number	02029122
Registered Office	Second Floor, HQ Offices
	58 Nicholas Street
	Chester
	England
Bankers	CH1 2NP
	HSBC Bank plc
	London Commercial Banking Centre
	Level 6, 71 Queen Victoria Street
	London
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Directors' Report

For the Year Ended 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal Activity

The principal activity of LDF Operations Limited (the 'Company') is that of a servicing company to other White Oak Global Advisor (WOGA) Finance Affiliate companies within the UK.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 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 assume 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.

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.

Future Developments

The Directors intend to leverage the Company's position by strengthening capabilities and widening the Finance Affiliates that it provides services to.

Results

The results for the year are shown in the Statement of Comprehensive Income on Page 6. The profit for the year, after taxation, amounted to £286,718 (2021: £11,183).

Directors

The Directors who served during the year and up to the date of this report were:

A Davies

K Berry (appointed 11 March 2022)

T Orte (appointed 11 March 2022)

D Banks (appointed 26 April 2022)

J Felton (resigned 25 April 2022)

Directors' Report (continued)

For the Year Ended 31 December 2022

Directors' Indemnity and Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' Liability Insurance policy which is a qualifying third party indemnity. In accordance with the Company's Articles of Association, the Board may also indemnify a Director from the assets of the company against any costs or liability incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any indemnities that may be provided by the Company provide cover for fraudulent or dishonest actions by the Directors. However, costs may be advanced to Directors for their defence in investigations or legal actions.

Dividends

No dividends were proposed and distributed for the period ending 31 December 2022 (2021: £Nil).

Employees

The Company's policy is to recruit and promote on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always considered bearing in mind the qualifications and abilities of the applicants. In the event of employees becoming disabled every effort is made to ensure their continued employment. The Company's policy is to adopt an open management style, thereby encouraging informal consultation at all levels about aspects of the Company's operations.

Environment

The Company is committed to pursuing sound environmental policies in all aspects of its business, and seeks to encourage and promote good environmental practice amongst its employees and within the communities in which it operates.

Charitable Donations

During the year the Company made charitable donations of £483 (2021: £350).

This report was approved by the board on 10 July 23 and signed on its behalf.



A Davies

Director

Statement of Comprehensive Income

For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	3	12,368,533	11,434,372
Gross profit		12,368,533	11,434,372
Administrative expenses		(11,768,652)	(11,476,026)
Other operating income	4	7,662	-
Operating profit/(loss)	5	607,543	(41,654)
Interest receivable and other income		-	6,472
Profit/(loss) before tax		607,543	(35,182)
Tax on profit/(loss) on ordinary activities	8	(320,825)	46,365
Profit for the financial year		286,718	11,183

There are no items of other comprehensive income, therefore a statement of other comprehensive income has not been prepared. All of the above amounts relate to continuing operations and are attributable to equity holders.

The notes on pages 9 to 20 form part of these financial statements.

Statement of Financial Position

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	9	1,645,504	2,317,784
Tangible assets	10	499,852	686,161
		2,145,356	3,003,945
Current assets			
Debtors: Amounts falling due within one year	11	6,491,576	6,112,908
Cash at bank and in hand	12	411,091	55,254
		6,902,667	6,168,162
Creditors: Amounts falling due within one year	13	(2,236,062)	(2,692,667)
Net current assets		4,666,605	3,475,495
Debtors: Amounts falling due after more than one year	11	27,033	72,835
Total assets less current liabilities		6,838,994	6,552,275
Net Assets		6,838,994	6,552,275
Capital and reserves			
Called up share capital	15	892	892
Share premium account		9,960	9,960
Capital redemption reserve		258	258
Retained earnings		6,827,884	6,541,166
		6,838,994	6,552,276

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf 10 July 23.



A Davies
Director

The notes on pages 9 to 20 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2022

	Share Capital	Share Premium	Capital redemption reserve	Retained Earnings	Total Equity
	£	£	£	£	£
At 1 January 2022	892	9,960	258	6,541,166	6,552,276
Comprehensive profit for the year					
Profit for the year	-	-	-	286,718	286,718
Dividends paid	-	-	-	-	-
At 31 December 2022	<u>892</u>	<u>9,960</u>	<u>258</u>	<u>6,827,884</u>	<u>6,838,994</u>

For the Year Ended 31 December 2021

	Share Capital	Share Premium	Capital redemption reserve	Retained Earnings	Total Equity
	£	£	£	£	£
At 1 January 2021	892	9,960	258	6,529,983	6,541,093
Comprehensive profit for the year					
Profit for the year	-	-	-	11,183	11,183
Dividends paid	-	-	-	-	-
At 31 December 2021	<u>892</u>	<u>9,960</u>	<u>258</u>	<u>6,541,166</u>	<u>6,552,276</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

1. Accounting policies

1.1 General information and Basis of preparation of financial statements

LDF Operations Limited (the “Company”) is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. The address of the registered office is given on the Company Information page. The nature of the Group’s operations are set out in the Directors Report on pages 4-5.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principle accounting policies are summarised below. All accounting policies have been consistently applied throughout the year and the preceding year.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

1.2 Financial Reporting Standard 102 - reduced disclosure exemptions

Related party transactions

The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 Related Party Disclosures, not to disclose transactions that have taken place between members of the Group where the party to the transaction is a wholly owned member.

Cash flow statement

The Company meets the definition of a 'qualifying entity' under FRS 102 and as such has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.

1.3 Going concern

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the Company has adequate resources including support from its Shareholders to continue in business for the foreseeable future.

In making this decision the Directors have considered a wide range of information relating to present and future conditions, including the current state of the balance sheet, future projections on profitability, cash flows and capital resources. The Directors have reviewed and considered the Company's liquidity structure and resilience in the event of an extreme stress scenario and are satisfied that the Company is well positioned to manage any ongoing impacts on new business volumes and potential for increased credit losses.

As a result of this assessment, the Directors are satisfied the Company has adequate resources to continue in business for at least 12 months following the date of these financial statements and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the Company financial statements.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised for services and charges to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Services Income

The Company charges for services it provides to other White Oak Global Advisor (WOGA) Finance Affiliate companies within the UK. The charges are included within the "Turnover" line of the Statement of Comprehensive Income.

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	3-5 years
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1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles - 25%

Fixtures and fittings - 15%

Computer equipment - 20% - 33.33%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'Other operating income' in the Statement of Comprehensive Income.

1.7 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.

1.8 Provision for bad and doubtful debts

Specific provision is made against trade debtors when, in the opinion of the Directors, full repayment is considered to be unlikely. The level of impairment identified is based on the Directors' calculated estimate of the future recoverable amount, taking into account the level of arrears, security held, past recoveries and other relevant factors.

1.9 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.

1.10 Leasing

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

When acting as a lessor the advance is shown within debtors net of future finance charges. This is split between debt due within and over one year. The interest element of the repayments received is credited to the Statement of Comprehensive Income across the life of the lease. Where a lease is repaid early the remaining interest due on the lease is recognised at that point.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

1.11 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Company about the following loss events:

- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions; and
- initiation of bankruptcy proceedings.

1.12 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.

1.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Exceptional items

Exceptional items are items that are unusual because of their size, nature or incidence and which the Directors consider should be disclosed separately to enable a full understanding of the Company's results.

1.15 Government grants

Government grants include grants receivable under the Coronavirus Job Retention Scheme. Grants are recognised using the accruals model whereby grants relating to revenue expenditure are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

1.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.17 Current and deferred taxation

Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Current tax is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the reporting date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

There are no critical judgements involved in applying the Group's accounting policies, apart from those involving estimations (which are dealt with separately below), which affect the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The accounting estimates and assumptions which affect the reported amounts of assets and liabilities within the financial statements are set out below:

Impairment of receivables

The main area in the financial statements where a judgement is made is in the impairment of its trading and other debtors. Balances are written off when there is judged to be no realistic prospect of recovery. Specific provisions are made to reduce all impaired balances to their estimated realisable values.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Company about the following loss events:

- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions; and
- initiation of bankruptcy proceedings.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

3. Analysis of turnover

The total turnover of the Company for the year has been derived from its principal activities wholly undertaken in the United Kingdom and relates to provision of services to other White Oak Global Advisor (WOGA) Finance Affiliate companies within the UK.

	2022	2021
	£	£
Provision of services to group companies	11,820,467	9,242,639
Provision of services to non-group companies	548,066	2,191,733
	<u>12,368,533</u>	<u>11,434,372</u>

All turnover arose within the United Kingdom.

4. Other operating income

	2022	2021
	£	£
Profit on disposal of fixed assets	7,662	-
	<u>7,662</u>	<u>-</u>

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	189,562	213,981
Auditor's remuneration	20,715	20,978
Impairment write back	-	-
Loss on disposal of fixed assets	-	161,311
Amortisation of intangible assets	843,482	679,580
Impairment of intangible assets	-	53,730
Defined contribution pension cost	175,244	181,072
	<u>175,244</u>	<u>181,072</u>

6. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	4,808,432	4,076,257
Social security costs	406,181	389,271
Cost of defined contribution pension scheme	175,244	181,072
	<u>5,389,857</u>	<u>4,646,600</u>

The monthly average number of employees, including Directors during the year was as follows:

	2022	2021
	No.	No.
Front Office	-	-
Back Office	55	44
	<u>55</u>	<u>44</u>

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

7. Directors' and key management personnel remuneration

	2022	2021
	£	£
Salaries	1,152,462	358,235
Company contributions to defined contribution pension schemes	44,626	55,159
	1,197,088	413,394

During the year retirement benefits were accruing to 9 Directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £144,545 (2021: £213,800) including pension contributions of £4,800 (2021: £6,300).

8. Taxation

	2022	2021
	£	£
Corporation tax		
UK corporation tax on profits for the year	-	-
Adjustments in respect of previous years	275,023	-
Total current tax	275,023	-
Deferred tax		
Origination and reversal of timing differences	(56,573)	(64,653)
Adjustments in respect of previous years	120,240	35,768
Effect of changes in tax rate	(17,865)	(17,480)
Total deferred tax	45,802	(46,365)
Total tax per Statement of Comprehensive Income	320,825	(46,365)

Factors affecting tax charge for the year

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2022	2021
	£	£
Profit/(loss) for the year	607,543	(35,182)
Tax on profit/(loss) at standard UK tax rate of 19% (2021: 19%)	115,433	(6,685)
Effects of:		
Expenses not deductible	1,204	7,830
Adjustments from previous periods	395,263	35,768
Tax rate changes	(17,865)	(17,480)
Group relief/other reliefs	(173,210)	(65,798)
Tax charge for the year	320,825	(46,365)

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

9. Intangible assets

	Software Costs
	£
Cost	
At 1 January 2022	4,877,477
Additions	171,202
Impairment	-
At 31 December 2022	<u>5,048,679</u>
Amortisation	
At 1 January 2022	2,559,693
Charge for the year	843,482
Impairment	-
At 31 December 2022	<u>3,403,175</u>
Net book value	
At 31 December 2022	<u>1,645,504</u>
At 31 December 2021	<u>2,317,784</u>

Intangible assets relate to capitalised software costs. Amortisation is shown within Administration Expenses in the Statement of Comprehensive Income.

10. Tangible fixed assets

	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2022	48,100	782,999	1,534,617	2,365,716
Additions	-	30,422	29,762	60,184
Disposals	(14,000)	(82,244)	-	(96,244)
At 31 December 2022	<u>34,100</u>	<u>731,177</u>	<u>1,564,379</u>	<u>2,329,656</u>
Depreciation				
At 1 January 2022	30,913	293,616	1,355,026	1,679,555
Charge for the year	9,691	76,877	102,995	189,563
Disposals	(9,917)	(29,397)	-	(39,314)
At 31 December 2022	<u>30,687</u>	<u>341,096</u>	<u>1,458,021</u>	<u>1,829,804</u>
Net book value				
At 31 December 2022	<u>3,413</u>	<u>390,081</u>	<u>106,358</u>	<u>499,852</u>
At 31 December 2021	<u>17,187</u>	<u>489,383</u>	<u>179,591</u>	<u>686,161</u>

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

11. Debtors

	2022	2021
	£	£
Due after more than one year		
Deferred taxation	27,033	72,835
	2022	2021
	£	£
Due within one year		
Trade debtors	386,608	862,463
Other debtors	52,986	292,232
Prepayments and accrued income	720,286	815,906
Corporation tax	206,000	2,424,534
Amounts owed by group undertakings	5,125,696	1,717,773
	<u>6,491,576</u>	<u>6,112,908</u>
	6,518,609	6,185,743

During the year the Company provided services on commercial terms in the ordinary course of business for White Oak Commercial Finance Europe Holder, White Oak UK (CBILS) Ltd, White Oak Commercial Finance Europe (Non-Levered) Ltd and White Oak Commercial Finance Europe No.2, who are related parties, at a cost of £383,242 (2021: £891,372). Amounts owed by related parties at the reporting date were £207,457 (2021: £581,697). These amounts all relate to trading balances.

12. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	411,091	55,254

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	65,859	419,361
Taxation and social security	103,342	116,166
Other creditors	1,249	1,506
Accruals and deferred income	2,065,612	2,155,634
	<u>2,236,062</u>	<u>2,692,667</u>

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

14. Deferred taxation

	2022	2021
	£	£
Asset at start of period	(72,835)	(26,470)
Adjustment in respect of previous years	120,240	35,768
Deferred tax charge to Statement of Comprehensive Income for the period	(74,438)	(82,133)
Asset at end of period	(27,033)	(72,835)

The deferred taxation balance is made up as follows:

	2022	2021
	£	£
Fixed asset timing differences	(27,033)	(72,835)
Other timing differences	-	-
Deferred tax asset	(27,033)	(72,835)

15. Share Capital

	2022	2021
	£	£
Allotted, called up and fully paid		
892 Ordinary Shares of £1 each	892	892

16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charge represents contributions payable by the Company to the fund. Contributions to the scheme by the Company amounted to £175,244 (2021: £181,072). All amounts were paid by 31 March 2023.

17. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	529,901	579,354
Later than 1 year and not later than 5 years	1,078,463	1,087,063
	1,608,364	1,666,417

During the year ended 31 December 2022 £547,205 (2021: £400,522) operating lease expense was recognised.

18. Ultimate parent undertaking and controlling party

100% of the share capital of LDF Operations Limited is owned by LDF Group Finance Limited. LDF Group Finance Limited is owned by LDF Group Holdco Limited. The ultimate controlling party of LDF Group Holdco Limited is White Oak Europe Acquisition Limited as it holds the majority shareholding in LDF Group Holdco Limited.

The smallest group into which the results of the Company are consolidated is LDF Group Holdco Limited. Copies of these consolidated financial statements can be obtained from its registered office at Second Floor, HQ Offices, 58 Nicholas Street, Chester, England, CH1 2NP. The largest group into which the results of the Company are consolidated is White Oak Europe Limited. Copies of these consolidated financial statements can be obtained from its registered office at Second Floor, HQ Offices, 58 Nicholas Street, Chester, England, CH1 2NP.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

19. Risk management

Liquidity risk

The Company mitigates this risk by financing itself to the level required to meet its liquidity needs. Cash flows for the business are monitored by the Directors on a frequent basis.

Reputational risk

The Company mitigates this risk by putting TCF (Treating Customers Fairly) at the heart of the business and providing exceptional customer service to its client base. This is evidenced by the amount of repeat business it provides for its clients. The Company regularly benchmarks its performance through customer feedback, complaints and internal reviews. All complaints are handled in a fair and transparent manner and are reported to the Board on a monthly basis.

Operational risk

The Company mitigates this risk by undertaking regular risk reviews of the operational procedures and undertaking departmental internal audits. There is a commitment by the business to report and review any operational failings and these are reported to the Board on a monthly basis.

Regulatory risk

The Company is subject to regulatory control and supervision by the Financial Conduct Authority (FCA). The Company has successfully gained all the permissions required by the FCA to perform its trade. The Company continually assesses the changing regulatory requirements and its adherence to them through regular reviews and updates to the Board.

Currency risk

The Company manages its foreign exchange risk against its functional currency. Foreign exchange risk arises when the Company's currency income and the cost of services provided to the Company from external suppliers are denominated in a currency that is not the Company's functional currency. Currency risk to the Company is deemed to be minimal.