

1OAK CAPITAL LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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1OAK CAPITAL LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Director | S G Rothwell |
| Registered number | 06890293 |
| Registered office | 51 Hay's Mews Mayfair London W1J 5QJ |
| Independent auditors | Sopher + Co LLP Chartered Accountants & Statutory Accounts 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD |

1OAK CAPITAL LIMITED

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1OAK CAPITAL LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The director presents his strategic report for the year ended 31 December 2019.

Business review

1Oak Capital Limited operates as an asset manager providing innovative and solution orientated asset management solutions to MiFID professional clients. 1Oak Capital Limited is a subsidiary of Investor Solutions Limited.

The director is satisfied with the results and performance of the business for the period, especially in relation to how the strategies have responded to the varying market conditions seen in 2019 and major macro events taking place. The business looks to build on the progress made during 2019 and the execution of its strategy developing and diversifying both products that are offered to a broader client base.

Future prospects

In August 2019 the firm received Bank of Italy approval to establish a branch in Italy. In December we established an office in Rome and hired three personnel and envisage opening another office in Milan in Q2 2020. The board approved this initiative to diversify against the probability of a hard Brexit but also to allow the company to service its growing Italian client base. We have already started to see the rewards of this initiative having recently won two large mandates from Institutional clients. These mandates by themselves will generate substantial revenue over the next few years and significantly grow AUM and AUA.

Principal risks and uncertainties

The board reviews a range of risks on a monthly and quarterly basis. Core risks are as follows:

Credit Risk

Credit risk is the risk that counterparties will not be able to fulfill their obligations as they fall due. It is the company's policy to monitor all such balances on a constant basis in order to minimise losses.

Liquidity Risk

The company ensures that liquidity is maintained by monitoring cash balances and maintaining sufficient bank balances to cover day to day expenses of the business.

Interest Rate Risk

At this time the company does not have any significant exposures to interest rate risk; should the circumstances change this policy will be reviewed.

Regulatory

Senior management is conscious of the ever changing regulatory environment in which we operate and ensuring that we embrace these changes is a matter of high priority for us. Our culture is about putting the client first and we are aware that the concept of good conduct must start with senior management and cascade down throughout the firm. Regulatory and legislative changes have the potential to materially affect the firm's performance however senior management with their compliance partner, Duff and Phelps, regularly review on a monthly and quarterly basis.

Details of the company's Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Bank, Building Societies and Investment Firms are given in note 23.

Key Personnel

The loss of or inability to recruit key personnel could have a material adverse effect, although 1Oak has a strong record of retaining key personnel.

1OAK CAPITAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Operational Risk

1Oak employs a dedicated Chief Risk officer to monitor and manage all market related risk. We also continue to engage Duff and Phelps to provide compliance support. Both report to senior management on a monthly basis.

Impact of Covid-19

The impact of COVID on future earnings is still difficult to ascertain, but it is recognised that revenue could potentially fall if the country lockdown is extended past the summer. To prepare for this and other exogenous events we will continue to manage the cost base on an ongoing basis.

Financial key performance indicators

The following table summarises the key performance indicators used by the director to assess the performance of the company as of the dates and period indicated:

| | 2019 £ | 2018 £ |
|-------------------------|-----------|-----------|
| Turnover | 1,378,082 | 1,142,865 |
| Operating profit | 124,355 | 103,897 |
| Operating profit margin | 9.0% | 9.1% |

Other key performance indicators

The director believes there are numerous non-financial performance indicators, but none are individually key to assessing the overall performance of the company.

1OAK CAPITAL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Director's statement of compliance with duty to promote the success of the company

Employment

The Company's employees are critical to the success of the business and the Company actively retains staff with the following policies:

Employees are kept as fully informed as possible about the activities of the business. This is achieved mainly by both informal and formal team meetings.

The Company, subject to overall financial performance and individual achievements, looks to reward outstanding individuals with an annual discretionary bonus scheme that is open to all employees

Equal opportunities are offered to all, regardless of gender, race, ethnicity or national origin, sexual orientation, religious belief, colour, disability, marital status or age. All applicants are treated equally in respect of recruitment, promotion, training, pay and other employment policies and practices. All decisions are based on merit. Under no circumstances will discrimination against any individual or group be tolerated.

Business Relationships

In order for the Company to continue its success and grow organically it relies on enhancing the existing client relationships and ensuring that the culture of treating customers fairly is driven from the senior management throughout the organisation. It also relies heavily on building professional relationships with external suppliers that provide invaluable support and expertise in a number of areas especially finance, compliance and law. We continue to build on the longterm relationships that we have.

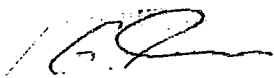
Environment

The Company has adopted a no plastics and recycle where you can policy.

Shareholders

Senior management, being the major shareholders of the business, are focused on delivering long term equity returns and increasing value for shareholders.

This report was approved by the board on 22 April 2020 and signed on its behalf.



S G Rothwell
Director

1OAK CAPITAL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his report and the financial statements for the year ended 31 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £90,794 (2018 - £77,937).

There were no dividends declared in the year.

Director

The director who served during the year was:

S G Rothwell

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the company's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

There are no plans which will significantly change the activities and risks of the company.

1OAK CAPITAL LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

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

Post balance sheet events

Covid-19 is a non-adjusting post balance sheet event. The impact of Covid-19 on the business is explained in the strategic report.

There have been no other significant events affecting the company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 22 April 2020 and signed on its behalf.



S G Rothwell
Director

1OAK CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1OAK CAPITAL LIMITED

Opinion

We have audited the financial statements of 1Oak Capital Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

1OAK CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1OAK CAPITAL LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement on page 4, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10AK CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 10AK CAPITAL LIMITED (CONTINUED)

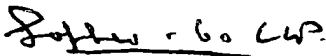
Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Martyn Atkinson FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Accounts

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

22 April 2020

1OAK CAPITAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|----------------|-------------|
| Turnover | 4 | 1,378,082 | 1,142,865 |
| Administrative expenses | | (1,253,727) | (1,038,968) |
| Operating profit | 5 | 124,355 | 103,897 |
| Interest receivable and similar income | | 724 | - |
| Interest payable and expenses | | (271) | (2,057) |
| Profit before tax | | 124,808 | 101,840 |
| Tax on profit | 11 | (34,014) | (23,903) |
| Profit for the financial year | | 90,794 | 77,937 |

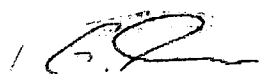
There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 12 to 21 form part of these financial statements.

1OAK CAPITAL LIMITED
REGISTERED NUMBER:06890293
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,449 | 12,561 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 13 | 1,321,503 | 3,762,720 |
| Cash at bank and in hand | | 10,994 | 32,080 |
| | | <u>1,332,497</u> | <u>3,794,800</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (303,325) | (2,861,372) |
| Net current assets | | <u>1,029,172</u> | <u>933,428</u> |
| Total assets less current liabilities | | <u>1,035,621</u> | <u>945,989</u> |
| Provisions for liabilities | | | |
| Deferred tax | 16 | (1,225) | (2,387) |
| Net assets | | <u><u>1,034,396</u></u> | <u><u>943,602</u></u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 100,000 | 100,000 |
| Profit and loss account | 18 | 934,396 | 843,602 |
| | | <u><u>1,034,396</u></u> | <u><u>943,602</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 April 2020.



S G Rothwell
Director

The notes on pages 12 to 21 form part of these financial statements.

1OAK CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital | Profit and loss account | Total equity |
|----------------------------|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 January 2018 | 100,000 | 765,665 | 865,665 |
| Profit for the year | - | 77,937 | 77,937 |
| At 1 January 2019 | 100,000 | 843,602 | 943,602 |
| Profit for the year | - | 90,794 | 90,794 |
| At 31 December 2019 | 100,000 | 934,396 | 1,034,396 |

The notes on pages 12 to 21 form part of these financial statements.

10AK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

1Oak Capital Limited is a private limited liability company incorporated in England and Wales, with its registered office address and principal place of business at 51 Hay's Mews, Mayfair, London, W1J 5QJ.

The principal activity of the company was that of an investment manager.

The company is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Investor Solutions Limited as at 31 December 2019 and these financial statements may be obtained from Companies House.

2.3 Going concern

The financial statements of the company have been prepared on a going concern basis, the validity of which is dependant on the recovery of amounts owed by two related parties by virtue of being under common control. Both companies have net liabilities as at 31 December 2019, however the directors and shareholders have given assurance that funds will be made available for a period of at least 12 months from the date the accounts are approved, to the companies so that they will be able to settle their debts when the debts fall due.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable.

Turnover consists of management fees and performance fees. Management fees are recognised monthly as they accrue and performance fees are recognised when they become payable to the company.

1OAK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis:

| | |
|------------------------------|--|
| Long-term leasehold property | - Straight line over the life of the lease |
| Fixtures and fittings | - 15% reducing balance |
| Office equipment | - 33% straight line |
| Computer equipment | - 33% straight line |

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 the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Basic financial instruments

Basic financial instruments include trade and other debtors, trade and other creditors, cash and cash equivalents and loans to or from related parties.

Trade debtors, other debtors and loans to related parties are recognised initially at the transaction price less attributable transaction costs. Trade creditors, other creditors and loans from related parties are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors, other debtors and loans to related parties.

Cash and cash equivalents comprise cash balances and call deposits.

2.7 Foreign currency translation

The Company's functional and presentational currency is £ sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

1OAK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Pensions

The company contributes to 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 payment 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.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has had to make the following judgments:

Determining the recovery of trade debtors. In making this judgement management take into account the customer's credit risk, debt ageing and payment history. In addition, for fees that are contingent upon a third party event, the directors will assess the likelihood of the venture being successful.

There are no critical estimates that materially affect the accounts.

1OAK CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination:

| | 2019 | 2018 |
|-------------------|-------------------------|-------------------------|
| | £ | £ |
| United Kingdom | 25,000 | 163,734 |
| Rest of the world | 1,353,082 | 979,131 |
| | <u>1,378,082</u> | <u>1,142,865</u> |

5. Operating profit

The operating profit is stated after charging:

| | 2019 | 2018 |
|---------------------------------------|----------------------|----------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 9,572 | 11,752 |
| Exchange differences | 2,814 | 1,213 |
| Defined contribution pension costs | 8,545 | 5,494 |
| | <u>20,931</u> | <u>18,459</u> |

6. Auditors' remuneration

| | 2019 | 2018 |
|---|----------------------|----------------------|
| | £ | £ |
| Fees payable to the company's auditor in respect of: | | |
| The audit of the company's annual financial statements | 9,000 | 5,500 |
| The audit of the group financial statements* | 1,500 | 1,500 |
| All other services | 10,885 | 15,284 |
| | <u>21,385</u> | <u>22,284</u> |

*The company has borne the cost of the audit of the group financial statements on behalf of its parent undertaking, a dormant holding company.

1OAK CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Employees

Staff costs, including director's remuneration, were as follows:

| | 2019 | 2018 |
|-------------------------------------|----------------|-------------|
| | £ | £ |
| Wages and salaries | 499,900 | 293,355 |
| Social security costs | 48,081 | 28,051 |
| Cost of defined contribution scheme | 8,545 | 5,494 |
| | 556,526 | 326,900 |

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

| | 2019 | 2018 |
|----------------|-------------|-------------|
| | No. | No. |
| Directors | 1 | 1 |
| Administration | 12 | 8 |
| | 13 | 9 |

8. Director's remuneration

| | 2019 | 2018 |
|-----------------------|--------------|-------------|
| | £ | £ |
| Director's emoluments | 3,616 | 1,824 |

9. Interest receivable

| | 2019 | 2018 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Other interest receivable | 724 | - |

10. Interest payable and similar expenses

| | 2019 | 2018 |
|------------------------|-------------|-------------|
| | £ | £ |
| Other interest payable | 271 | 2,057 |

10AK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Taxation

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | 35,176 | 23,828 |
| Deferred tax | | |
| Origination and reversal of timing differences | (1,162) | 75 |
| Taxation on profit on ordinary activities | 34,014 | 23,903 |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Profit on ordinary activities before tax | 124,808 | 101,840 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | 23,714 | 19,350 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 10,301 | 3,431 |
| Depreciation for the year in excess of capital allowances | 1,161 | 1,047 |
| Deferred tax | (1,162) | 75 |
| Total tax charge for the year | 34,014 | 23,903 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10AK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Tangible fixed assets

| | Long-term leasehold property £ | Fixtures and fittings £ | Office equipment £ | Computer equipment £ | Total £ |
|--|---|-------------------------------|--------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 January 2019 | 58,897 | 1,100 | 4,804 | 32,102 | 96,903 |
| Additions | - | - | 2,844 | 616 | 3,460 |
| At 31 December 2019 | 58,897 | 1,100 | 7,648 | 32,718 | 100,363 |
| Depreciation | | | | | |
| At 1 January 2019 | 58,897 | 165 | - | 25,280 | 84,342 |
| Charge for the year on owned assets | - | 140 | 2,753 | 6,679 | 9,572 |
| At 31 December 2019 | 58,897 | 305 | 2,753 | 31,959 | 93,914 |
| Net book value | | | | | |
| At 31 December 2019 | - | 795 | 4,895 | 759 | 6,449 |
| At 31 December 2018 | - | 935 | 4,804 | 6,822 | 12,561 |

13. Debtors

| | 2019 £ | 2018 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 29,313 | 1,893,099 |
| Amounts owed by group undertakings | - | 39,681 |
| Other debtors | 62,797 | 432,027 |
| Prepayments and accrued income | 1,229,393 | 1,397,913 |
| | 1,321,503 | 3,762,720 |

1OAK CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|------------------|
| Trade creditors | 155,163 | 89,867 |
| Amounts owed to group undertakings | 6,100 | - |
| Corporation tax | 35,170 | 48,802 |
| Other taxation and social security | 11,008 | 8,776 |
| Other creditors | 16,110 | 2,682,639 |
| Accruals and deferred income | 79,774 | 31,288 |
| | <u>303,325</u> | <u>2,861,372</u> |

15. Financial instruments

The company only enters into transactions that result in the recognition of basic financial assets and liabilities. It does not have financial assets and liabilities measured at fair value.

16. Deferred taxation

| | 2019 £ | 2018 £ |
|---------------------------|--------------|--------------|
| At beginning of year | 2,387 | 2,312 |
| Charged to profit or loss | (1,162) | 75 |
| At end of year | <u>1,225</u> | <u>2,387</u> |

The provision for deferred taxation is made up as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | <u>1,225</u> | <u>2,387</u> |

17. Share capital

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Allotted, called up and fully paid | | |
| 100,000 Ordinary shares of £1.00 each | <u>100,000</u> | <u>100,000</u> |

10AK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. Reserves

Profit and loss account

The profit and loss reserve contains the cumulative balance of retained profit and losses since the company started trading. It is a distributable reserve.

19. Pension commitments

The Company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,545 (2018 - £5,494). Contributions totalling £1,038 (2018 - £1,040) were payable to the fund at the reporting date.

20. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Not later than 1 year | 116,667 | 140,000 |
| Later than 1 year and not later than 5 years | - | 116,667 |
| | <u>116,667</u> | <u>256,667</u> |

21. Related party transactions

During the year, the company made sales amounting to £1,128,214 (2018 - £934,545) to companies under common control. At the reporting date, the company was owed £1,245,137 (2018 - £1,182,700) by and owed £nil (2018 - £223,916) to companies under common control.

Key management personnel include all employees who have the authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £10,818 (2018 - £7,936).

The company forms part of a wholly-owned group and accordingly has taken advantage of the exemption allowed under section 33.1A of FRS 102 not to disclose transactions with other group companies.

22. Controlling party

The immediate parent company is Investor Solutions UK Limited, a company incorporated in England and Wales. The ultimate controlling party is G Bonaccorso.

10AK CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

23. Pillar 3 disclosure

The information provided below is required to be disclosed in accordance with the rules adopted by the Financial Conduct Authority and does not form part of the audited accounts.

The firm is categorised as a limited licence firm for capital purposes by the FCA and as such is subject to minimum regulatory requirements. The disclosures within this note are shown on an individual company basis as the company is not subject to consolidated reporting.

Risk Management

The company's risk management focuses on the major areas of market risk, operational risk and business risk. The management of the firm has sufficient experience to manage risks appropriately and has a compliance director who regularly monitors risk by reviewing reports prepared by external compliance consultants.

Capital resources

A summary of the company's total capital is as follows:

| | 2019 £ | 2018 £ |
|-------------------------|------------------|----------------|
| Called up share capital | 100,000 | 100,000 |
| Profit and loss account | 934,396 | 843,602 |
| | <u>1,034,396</u> | <u>943,602</u> |

Market, operational and credit risk

The company is a small firm with a simple operational infrastructure and in the directors opinion the simplified standard approach to credit, market and operational risk is appropriate.

The company has assessed its Pillar 1 and Pillar 2 capital requirement to be £299,000.