

**OAKSIX HOLDINGS LIMITED**  
**(formerly Fortwell Capital Limited)**

**Report and Financial Statements**

**For the Year Ended**  
**31 March 2021**

**Company Number: 07428221 (England and Wales)**

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# **OAKSIX HOLDINGS LIMITED**

## **Report and Financial Statements For the year ended 31 March 2021**

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# **OAKSIX HOLDINGS LIMITED**

## **Company Information For the year ended 31 March 2021**

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<b>Directors:</b>	J G Wilson B G A David D K Rastegar
<b>Registered Office:</b>	1 Bartholomew Lane London EC2N 2AX
<b>Head office and operations:</b>	1 Bartholomew Lane London EC2N 2AX
<b>Registered number:</b>	07428221
<b>Independent Auditor:</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Company Secretary:</b>	Cosign Limited Martello Court Admiral Park St Peter Port Guernsey GY1 3HB

## **OAKSIX HOLDINGS LIMITED**

### **Report of the Directors For the year ended 31 March 2021**

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The Directors submit their report, and the audited financial statements of the company, which is registered in England and Wales, for the financial year ended 31 March 2021.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 presume that the company will continue in business. As disclosed in note 1 to the financial statements the Directors do not consider the company to be a going concern and in consequence these financial statements have not been prepared on that basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the company's auditor is unaware.

#### **Principal activity**

The principal activity of the company is providing bespoke short and medium-term funding solutions to the non-regulated real estate market. As the loans within Oaksix Holdings Limited will be paid and no further business will be conducted, the directors intend to cease trading and liquidate the Company through a voluntary liquidation within the next 12 months.

#### **Results and dividends**

The results of the company for the year are set out in detail on page 7. The company has not paid any interim dividends during the year and the Directors do not intend to recommend a final dividend for the year (2020:£nil).

#### **Risk management**

##### *Liquidity risk*

Liquidity risk arises from the company's management of working capital - drawdowns and redemptions on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives regular cash flow projections as well as information regarding cash balances. At the end of the financial year, these projections indicated that the company is expected to have sufficient liquid resources to

**OAKSIX HOLDINGS LIMITED**  
**Report of the Directors**  
**For the year ended 31 March 2021 (continued)**

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**Risk management (continued)**

meet its obligations under all reasonably expected circumstances through the funding facility with its parent company as required and in line with forecasts.

*Credit risk*

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from loan advances. Loans are given with a first or second charge against the security of the property being lent. It is company policy to thoroughly assess the credit risk of all customers and the property before advancing loans. Borrowers are analysed individually for creditworthiness before terms on a loan advance are accepted. Factors reviewed when considering a loan include, loan to value ratio, yield on current rental income / term of rental agreement, good repayment record and where the security is deemed to be an attractive proposition for sale in the open market in the event of a default.

For corporate borrowers, the company takes full personal guarantees from the individual directors of the company and where possible a debenture over the company, in addition to the charge over the property.

The Board manages credit risk by having credit policy and underwriting rules in place that accept applicants who are able to afford to make their loan repayments or are able to pay the interest upfront, in addition to meeting the loan to value ratio criteria. The underwriting assessment applied to loans is further supported by assessing the headroom on the total exposure based on the loan outstanding to current market value ratio and duration of the loan, whereby redemption protocol is triggered at an early stage to ensure full recovery. Loans are monitored and reviewed monthly at sub-committee meetings.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The company holds funds with those banks and regularly repays its borrowing from the parent company to reduce its cash accounts as well as utilising funds for new loans from these accounts.

Loan completions and redemptions are channelled through solicitor firms which are on the company approved panel of legal firms. Credit risk arises from cash being sent, held or received from these firms.

*Market risk*

Market risk arises from the company's use of interest bearing financial instruments, being amounts payable to its parent and on the market value of the property being lent against being adversely affected by market factors or valuation criteria and judgements.

All valuations are undertaken on a market value based within the latest RICS Valuation Standards, on a "bricks and mortar" basis, excluding all goodwill and projected value. Valuers are RICS qualified and are on the approved company valuer panel. The valuer provides an opinion as to the value of the subject property and gives advice. However the decision whether or not to lend against the property remains with the company, with due consideration to the other factors of the application. Market values remain a volatile subject and the valuer's opinion may not reflect the recoverable value where a loan defaults and recovery action is not promptly undertaken, resulting in an erosion of the headroom buffer, created by lending against a specific loan to value ratio.

**Existence of branches of the company outside of the United Kingdom**

The company has no branches outside of the United Kingdom.

## **OAKSIX HOLDINGS LIMITED**

### **Report of the Directors For the year ended 31 March 2021 (*continued*)**

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#### **Directors**

The Directors of the company who served during the year were:

J G Wilson	(appointed 8 May 2015)
B G A David	(appointed 1 February 2018)
D K Rastegar	(appointed 23 August 2018)

#### **Directors' liabilities and qualifying third party indemnity provisions**

The company has granted an indemnity to its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force up to 29 August 2018.

CPC Treasury Holdings Limited, the company's parent, had qualifying third party indemnity provisions for all of the Directors of the company in accordance with section 233 of the Companies Act 2006 in place up to 29 August 2018.

#### **Independent auditor**

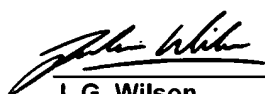
Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

#### **Small companies exemption**

In preparing the report of the directors advantage has been taken of the small companies exemption provided by section 414B of the Companies Act 2006 and of the exemption of preparing a strategic report.

#### **Approval**

This Directors' Report was approved by order of the Board on 02 July 2021.



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**J. G. Wilson**  
Director

# OAKSIX HOLDINGS LIMITED

## Independent Auditor's Report

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OAKSIX HOLDINGS LIMITED

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

We have audited the financial statements of Oaksix Holdings Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remain independent of the 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.

#### Emphasis of matter – basis of preparation

We draw attention to Note 1 (Going concern) to the financial statements, which explains that, the Directors intend to cease trading and liquidate the Company within the next twelve months. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 1 (Going concern). Our opinion is not modified in respect of this matter.

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

#### Other information

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

## OAKSIX HOLDINGS LIMITED

### Independent Auditor's Report (*continued*)

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#### **Other Companies Act 2006 reporting**

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, pension legislation and tax legislation. We also assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be management override of controls and revenue recognition.



## OAKSIX HOLDINGS LIMITED

### Independent Auditor's Report (continued)

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

Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations discussed above;
- enquiring with management and the board;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading board meetings minutes;
- in addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments. On a sample basis we determined journals with key risk characteristics such as postings made by non- finance staff, debit postings to revenue, postings made on weekends, postings with blank descriptions, postings with key words such as 'fraud' and 'error', identification of material journals and we agreed these to supporting documents;
- we also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- assessing whether the judgements in relation to the carrying value of the secured loans made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our 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.

DocuSigned by:



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Daniel Taylor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
London, UK

02 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**OAKSIX HOLDINGS LIMITED**

**Statement of Income and Retained Earnings  
For the year ended 31 March 2021**

	Note	2021 £	2020 £
Interest and similar income	3	737,815	965,657
Interest and similar expenses	5	(65,975)	(65,833)
<b>Gross profit</b>		<b>671,840</b>	<b>899,824</b>
Bad debt credit / (expense)		104,320	(1,608,943)
Administrative expenses		(223,729)	(471,501)
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>4</b>	<b>552,433</b>	<b>(1,180,622)</b>
Taxation on loss on ordinary activities	6	-	-
<b>Profit / (Loss) for the financial year</b>		<b>552,433</b>	<b>(1,180,622)</b>
Retained earnings at the beginning of the year		5,581,696	6,762,318
Profit/ (Loss) for the year		552,433	(1,180,622)
Retained earnings at the end of the year		6,134,129	5,581,696

All amounts relate to continuing operations.

There were no other recognised gains and losses or other comprehensive income for the year.

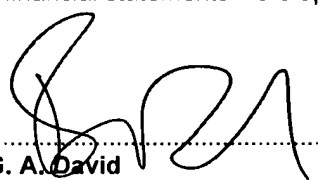
The notes on pages 10 to 18 form part of these financial statements.

# OAKSIX HOLDINGS LIMITED

## Statement of Financial Position As at 31 March 2021

<b>Company number: 7428221</b>	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Amounts due in less than one year</b>			
Loans and advances	7	-	-
Other debtors	7	9,654,724	8,325,326
		<hr/>	<hr/>
		9,654,724	8,325,326
Cash and bank balances		770,083	651,370
		<hr/>	<hr/>
<b>Total current assets</b>		10,424,807	8,976,696
<b>Creditors: amounts falling due within one year</b>	8	(1,190,680)	(295,000)
		<hr/>	<hr/>
<b>Net current assets</b>		9,234,127	8,681,696
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	3,100,000	3,100,000
Profit and loss account		6,134,129	5,581,696
		<hr/>	<hr/>
		9,234,127	8,681,696
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 02 July 2021.

  
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**B. G. A. David**  
**Director**

The notes on pages 10 to 18 form part of these financial statements.

## OAKSIX HOLDINGS LIMITED

### Notes to the Financial Statements For the year ended 31 March 2021

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#### 1 Accounting policies

Oaksix Holdings Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Report of Directors.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the United Kingdom 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 judgement in applying the company's accounting policies (see note 2). The following principal accounting policies have been consistently applied:

#### 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 requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CPC Treasury Holdings Limited as at 31 March 2021 and these financial statements may be obtained from CPC Treasury Holdings Limited at 1 Bartholomew Lane, London, EC2N 2AX.

The following principal accounting policies have been consistently applied:

#### Going concern

As the loans within Oaksix Holdings Limited will be paid and no further business will be conducted, the directors intend to cease trading and liquidate the Company through a voluntary liquidation within the next 12 months. For this reason the other than going concern basis has been adopted in preparing these financial statements. As a result of preparing the financial statements on the other than going concern basis, there has been no financial impact on the company.

#### Interest and similar income

Interest and similar income represents the amounts derived from the arranging of loans, the interest earned on those loans and, in certain circumstances, fees paid on the redemption of loans. In addition, the company earns servicing fees from other group companies for managing correspondence.

Interest income on trade receivables is recorded at amortised cost and calculated using the effective interest method which allocates interest, and loan origination fees, over the expected lives of the assets. The effective interest method requires the company to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the trade receivables. Default fees and interest are charged to customers when they fail to make a repayment within the agreed loan period. Such fees and interest are recognised using an effective interest method and are recognised as turnover when the amounts are expected to be received.

Servicing fees relate to income from other Group companies where the company provides loan origination, underwriting and management services. Servicing fees are recognised in line with the performance of the service.

## **OAKSIX HOLDINGS LIMITED**

### **Notes to the Financial Statements For the year ended 31 March 2021 (continued)**

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#### **1 Accounting policies (continued)**

##### **Interest and similar expenses**

Interest and similar expenses represents interest payable on borrowings charged to the Statement of Income and Retained Earnings over the term of the debt at amortised cost using the effective interest rate method.

##### **Bad debt expenses**

Bad debt expenses comprises the impairment charge for loan advances which have been previously recognised, but for which the customer is subsequently in default, or there is a decrease in the likelihood of full recovery. Loans are assessed for bad debt on an individual loan by loan basis and therefore there is no requirement for collective provisioning. Recoveries related to previously impaired loans are credited to bad debt expenses.

##### **Pension costs - 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 payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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.

##### **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 3 months. Cash equivalents are highly liquid investments that mature in no more than 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## OAKSIX HOLDINGS LIMITED

### Notes to the Financial Statements For the year ended 31 March 2021 (*continued*)

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#### **1 Accounting policies (*continued*)**

##### **Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities. The company classifies its financial assets into the following categories: cash and cash equivalents, prepayments and loans and advances. The classification is determined by management upon recognition, and is based on the purpose for which the financial assets were acquired.

Financial assets are recognised on the company's Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument. Debt instruments, such as loans and other accounts receivable and payable, are initially measured at fair value 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 out-right short-term loan not at market rate, the financial asset or liability is measured, initially at fair value and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

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 Income and Retained Earnings. 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. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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.

##### **Debtors**

Loans and advances are amounts due from customers for short term loans issued in the ordinary course of business. On initial recognition they are measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Subsequent recovery of amounts previously impaired is credited to the Statement of Income and Retained Earnings. Other debtors are measured at transaction price less impairment.

##### **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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

##### **Derecognition of financial liabilities**

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

## OAKSIX HOLDINGS LIMITED

### Notes to the Financial Statements For the year ended 31 March 2021 (continued)

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#### 1 Accounting policies (continued)

##### Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except:

- 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;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### Reserves

##### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### Called up share capital

This represents the nominal value of shares issued.

#### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements and other key sources of estimation uncertainty included:

##### Loans and advances

Loans and advances are regularly considered for possible impairment losses, which require the company to make best estimates of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgements about the probable effects of relevant observable data, including present economic conditions such as default rates, financial health of specific customers, collateral values, and the present and expected future levels of interest rates.

The company's risk management process, which includes standards and policies for reviewing major risk exposures and concentrations, ensures that relevant data are identified and considered either for individual loans, or on a portfolio basis, as appropriate. The company considers a loan where there is risk of capital loss and/or where there may be a requirement to control the underlying collateral to be a non-performing loan.

# OAKSIX HOLDINGS LIMITED

## Notes to the Financial Statements For the year ended 31 March 2021 (*continued*)

### 3 Interest and similar income

Interest receivable on interest bearing loans, which wholly arose in the United Kingdom, represents the amounts derived from the arranging of loans, the interest earned on those loans and, in certain circumstances, fees paid on the redemption of loans. In addition, the company earns fees from other group companies for loan origination, underwriting and management services ("Servicing fees"). Interest income is recognised over the life of the loan using an effective interest method.

	2021 £	2020 £
Analysis of turnover by business class is as follows:		
Interest income on loans and receivables	737,815	965,657
Servicing fees	-	-
Bank interest	-	-
	<u>737,815</u>	<u>965,657</u>

### 4 Operating profit

Operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	-	-
Fees payable to the company's auditor	-	-
- Audit fees	-	-
- Other assurance services	-	-
Defined contribution pension cost	-	-
Operating leases:	-	-
- Office buildings	-	-
Termination benefits	-	-
	<u>-</u>	<u>-</u>

Audit fees were paid by the parent company CPC Treasury Holdings Limited, totalling £6,000 for the year (2020: £25,000)

### 5 Interest and similar expenses

	2021 £	2020 £
Loan interest and fees payable	65,975	65,833
	<u>65,975</u>	<u>65,833</u>



# OAKSIX HOLDINGS LIMITED

## Notes to the Financial Statements For the year ended 31 March 2021 (*continued*)

6	Taxation on profit on ordinary activities	2021 £	2020 £
	<i>UK corporation tax</i>		
	Current tax on profits of the year	-	-
	Adjustment in respect of previous periods	-	-
		<hr/>	<hr/>
	<i>Deferred tax</i>		
	Fixed asset timing difference	-	-
	Utilization of previous period losses	-	-
		<hr/>	<hr/>
	Taxation on profit on ordinary activities	-	-
		<hr/>	<hr/>

The tax assessed for the year is less than (2020: more) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

Profit on ordinary activities before tax	552,433	(1,180,622)
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	104,962	(224,318)
<i>Effect of:</i>		
Expenses not deductible for tax purposes		
Deferred tax not recognised	(104,962)	-
Adjust closing deferred tax to average rate of 19.00% (2020: 19%)	-	(428)
Adjustments to tax charge in respect of previous periods	-	-
Adjustments to brought forward values	-	-
Timing differences	-	-
Group relief surrendered	-	224,746
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

### Future factors that may affect tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill Act 2021 on 10 June 2021, maintaining the effective tax rate of 19% until 1 April 2023 at which point it will increase to 25% for profits over £250,000.

**OAKSIX HOLDINGS LIMITED**

**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

<b>7 Amounts due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loans and advances	-	1,505,935
Provision for impairment of loans and advances	-	(1,505,935)
	<u>-</u>	<u>-</u>
<b>Other debtors</b>		
Amounts due from group companies	9,654,724	8,325,326
Other debtors, prepayments and accrued income	-	-
	<u>9,654,724</u>	<u>8,325,326</u>
<b>8 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Secured loan	-	-
Trade creditors	-	-
Amount due to parent company	-	-
Amount due to group companies	-	-
Accruals and sundry creditors	1,190,680	295,000
	<u>1,190,680</u>	<u>295,000</u>

**9 Financial instruments**

The company's financial instruments may be analysed as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	9,654,724	8,325,326
	<u>9,654,724</u>	<u>8,325,326</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	-	-
	<u>-</u>	<u>-</u>

Financial assets measured at amortised cost comprise loan advances, trade debtors, cash and other debtors. Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

Information regarding the company's exposure to and management of credit risk, liquidity risk, market risk and cash flow interest rate risk is included in the Directors' report. In light of this information above, the directors do not consider further sensitivity analysis to be meaningful for the operations and results of the company.

# OAKSIX HOLDINGS LIMITED

## Notes to the Financial Statements For the year ended 31 March 2021 *(continued)*

10 Provisions for liabilities/assets	2021 £	2020 £
Provisions	1,190,680	295,000
	<u>                    </u>	<u>                    </u>
<b>Reconciliation of movement:</b>		
At 1 April 2020	295,000	-
Charged to profit or loss	895,680	295,000
	<u>                    </u>	<u>                    </u>
At 31 March 2021	1,190,680	295,000
	<u>                    </u>	<u>                    </u>
 11 Share capital	 2021 £	 2020 £
Allotted, called up and fully paid: 3,100,000 ordinary shares of £1 each	3,100,000	3,100,000
	<u>                    </u>	<u>                    </u>

### 12 Pension commitments

The company operates a group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions paid into the scheme during the year were £nil (2020: £nil) and contributions totalling £nil (2020: £nil) were payable to the fund at the Statement of Financial Position date and are included in trade creditors.

### 13 Commitments under operating leases

#### Lessee

Rentals payable to CPC London Limited, a company related through the ultimate parent company (note 16), are not included in the financial statements as there are no formal lease agreements in place with the company. The estimated rentals payable in the next financial year are £nil (2020: £nil).

### 14 Controlling party

The parent company and controlling party at the year end, which has interests in 100% (2020: 100%) of the issued share capital of the company, was CPC Treasury Holdings Limited, a company incorporated in the UK. Throughout the year the ultimate parent company was CPC Group Limited, a company incorporated in Guernsey. The issued share capital of CPC Group Limited is owned by C P Candy, who is therefore the ultimate controlling party.

### 15 Contingent liabilities

The company had no contingent liabilities at the year-end (2020: £nil).

## **OAKSIX HOLDINGS LIMITED**

### **Notes to the Financial Statements For the year ended 31 March 2021 (*continued*)**

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#### **16 Related party disclosures**

In the preparation of these financial statements the directors have taken advantage of the exemption under FRS102 and have not disclosed the details of related party transactions with wholly owned subsidiaries of CPC Treasury Holdings Limited.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to other group companies for the services of key management personnel was £nil (2020: £nil).

During the year, the company paid other CPC Group Limited subsidiaries £219,808 (2020: £404,932) for the provision of real estate, administrative support and human resource services.