

Company Registration No. 7861988

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

Report and Financial Statements

31 December 2021

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HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**REPORT AND FINANCIAL STATEMENTS 2021**

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HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

GENERAL INFORMATION

DIRECTORS

S P Darlington-Cramond
L M E Borlenghi
J Oei
J E Sheppard

Resigned 11 October 2021

Appointed 8 December 2021

SECRETARY

G M Williams Hamer
F J Niven

Resigned 30 November 2021

Appointed 30 November 2021

REGISTERED OFFICE

The Campus
4 Crinan Street
London
N1 9XW

AUDITORS

Ernst & Young LLP
Grosvenor House
Grosvenor Square
Southampton
SO15 2BE

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

STRATEGIC REPORT

Business review

The principal activity is that of a sub holding company for the investment interests of the Holtzbrinck Investments Limited Group. The subsidiaries and other investments have holdings in a diverse range of investment funds and start-up companies.

The directors have reviewed and considered business risks relating to Holtzbrinck Investment Holdings Limited ("the Company"). At this time they do not consider that there are any risks solely in relation to the Company.

On an annual basis the directors review the financial statements. The directors continually assess the performance of the company and the financing structure of the entity.

Results for the year

The Company's total comprehensive loss for the year amounted to £11,000 (2020: £1,173,000).

Dividends

No interim dividend was paid for the year to 31 December 2021 (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

Future developments

The directors do not foresee any changes in activities for the foreseeable future.

Covid-19

The principal risk identified as a result of the Covid-19 pandemic was recoverability of investments, the company's subsidiaries and other investments have holdings in a diverse range of investment funds and start-up companies, across multiple industries. The financial position of the investments in question have been reviewed and the directors are confident that their financial position supports the value of the investment.

Approved by the Board of Directors
and signed on behalf of the Board

DocuSigned by:

Lara Borlenghi

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L M E Borlenghi
Director

29 September 2022

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT

Company Registration No 7861988

The directors present their report and Company financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is to act as a sub holding company for the investment interests of the Holtzbrinck Investments Limited Group.

Directors and their interests

During the year no director, or their spouses or dependent children, has held any interest in the shares of the Company.

The directors of the Company who served during the year are shown on page 1.

The Company has indemnified one or more directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Company's Articles of Association. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report.

Liquidity and capital resources

The Company is reliant upon the continued financial support of Group companies which have confirmed their intention to provide the necessary support. The directors have therefore prepared the financial statements on a going concern basis.

Asset and capital structure

Equity and gearing

The Company has no external net debt.

Company policy is to arrange longer term Company borrowing requirements through the Company's immediate and ultimate holding companies. The Company operates within borrowing limits imposed by the banking covenants at the level of the Company's ultimate holding company.

Financial instruments

The Company's financial risk management objectives and policies are discussed in note 12 to the financial statements.

Going concern

Going concern has been assessed, taking into account the Company's current financial position and after assessing the impact of Covid-19 or macroeconomic uncertainties, and taking into account the nature of the holding company.

The liabilities in the accounts are due to related parties and attract non-cash interest. The amounts are repayable on demand however the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and meet their liabilities as they fall due in the next 12 months based on the support provided by GvH Vermögensverwaltungsgesellschaft XXXIII mbh ("the ultimate parent"). The company is not required to fund the operations of its investments, and any further investments are funded from the ultimate parent company. Based on enquiries performed the directors are confident that the ultimate parent can provide such support for the period to 30 September 2023. On this basis they continue to adopt the going concern basis of accounting in preparing the financial statements up to 30 September 2023.

Corporate social responsibility

The Company recognises its responsibilities towards the communities in which the business operates worldwide and takes a responsible attitude to compliance with local laws, regulations and customs. The Company places emphasis on ensuring that its employees operate within an environment which recognises equal opportunities for development of all employees. The Company recognises its responsibility towards protecting the environment. The Company has a policy of using paper from renewable resources where possible and works with its suppliers to encourage the use of paper produced following these principles. The Company expects high standards of corporate responsibility from its business partners, and has commenced a programme of audit inspections to verify that appropriate standards are adhered to by its suppliers.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)


Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board

DocuSigned by:


Lara Borlenghi
Director

29 September 2022

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Report and Financial Statements in accordance with applicable laws 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 UK adopted International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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 and loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS8 "Accounting policies, changes in accounting estimates and errors" and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK adopted IFRSs in conformity with the requirements of the Companies Act 2006 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state whether the financial statements have been prepared in accordance with UK adopted IFRSs in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLTZBRINCK INVESTMENT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Holtzbrinck Investment Holdings Limited for the year ended 31 December 2021 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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. The directors are responsible for the other information contained with the Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLTZBRINCK INVESTMENT HOLDINGS LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' 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 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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLTZBRINCK INVESTMENT HOLDINGS LIMITED (continued)

Due to the simplicity of the Company and the small number of transactions our procedures focussed on:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (UK adopted IFRS and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities, where applicable.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing all material transactions.

A further description of our responsibilities for the audit of the financial statements is located 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.

Ernst & Young LLP

Ryan Squires (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

30 September 2022

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Other income	3	84	-
Gross profit		84	-
Other expenses	3	(85)	-
Operating loss		(1)	-
Finance costs	3	(1,427)	(1,313)
Loss before tax		(1,428)	(1,313)
Income tax credit/(charge)	5	277	(10)
Loss for the year		<u>(1,151)</u>	<u>(1,323)</u>
Other comprehensive income			
Change in value of Other investments	6	1,140	150
Total comprehensive loss		<u>(11)</u>	<u>(1,173)</u>

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION
at 31 December 2021**

ASSETS	Note	2021 £'000	2020 £'000
Non-current assets			
Investment in subsidiaries	6	47,206	37,803
Other investments	6	6,890	5,750
		<u>54,096</u>	<u>43,553</u>
Current assets			
Income tax receivables	7	-	-
Cash and cash equivalents		14	15
		<u>14</u>	<u>15</u>
TOTAL ASSETS		<u>54,110</u>	<u>43,568</u>
EQUITY AND LIABILITIES			
Shareholders' deficit			
Issued capital	8	-	-
Share premium		699	699
Accumulated losses		(9,989)	(9,978)
TOTAL DEFICIT		<u>(9,290)</u>	<u>(9,279)</u>
Non-current liabilities			
Other non-current financial liabilities	10	62,766	-
Total non-current liabilities		<u>62,766</u>	<u>-</u>
Current liabilities			
Trade and other payables	9	-	52,847
Other current financial liabilities	10	634	-
Total current liabilities		<u>634</u>	<u>52,847</u>
TOTAL LIABILITIES		<u>63,400</u>	<u>52,847</u>
TOTAL EQUITY AND LIABILITIES		<u>54,110</u>	<u>43,568</u>

These financial statements were approved by the Board of Directors on 29 September 2022.

Signed on behalf of the Board of Directors.

DocuSigned by:

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 L M E Borlenghi
 Director

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021****Attributed to equity and reserves of the Company**

	Issued Capital (Note 8) £'000	Share Premium (Note 8) £'000	Accumulated Losses £'000	Total Deficit £'000
2020				
At 1 January 2020	-	699	(8,805)	(8,106)
Loss for the year	-	-	(1,323)	(1,323)
Other comprehensive income	-	-	150	150
Total comprehensive loss	-	-	(1,173)	(1,173)
At 31 December 2020	-	699	(9,978)	(9,279)

Attributed to equity and reserves of the Company

	Issued Capital (Note 8) £'000	Share Premium (Note 8) £'000	Accumulated Losses £'000	Total Deficit £'000
2021				
At 1 January 2021	-	699	(9,978)	(9,279)
Loss for the year	-	-	(1,151)	(1,151)
Other comprehensive income	-	-	1,140	1,140
Total comprehensive loss	-	-	(11)	(11)
At 31 December 2021	-	699	(9,989)	(9,290)

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**STATEMENT OF CASH FLOWS
for the year ended 31 December 2021**

	2021 £'000	2020 £'000
Cash flows from/(used in) operating activities		
Operating loss	(1)	-
Decrease in trade and other receivables	-	-
Decrease in tax receivable	-	-
Decrease in trade and other payables	-	-
Income tax received/(paid)	277	(10)
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	276	(10)
Cash flows used in investing activities		
Acquisition of other investments	-	-
Investment in subsidiaries	(9,403)	(5,895)
	<hr/>	<hr/>
Net cash flows used in investing activities	(9,403)	(5,895)
Cash flows from/(used in) financing activities		
Interest paid	(1,427)	(1,313)
Increase in intercompany loans	10,553	7,118
	<hr/>	<hr/>
Net cash flows from financing activities	9,126	5,805
Net movement in cash and cash equivalents	(1)	(100)
Cash and cash equivalents at 1 January	15	115
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	14	15
	<hr/>	<hr/>

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****1. Authorisation of financial statements and statement of compliance with IFRSs**

The financial statements of the Company for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 29 September 2022. The Company is a limited company incorporated in England.

The financial statements of the Company have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS), in conformity with the requirements of the Companies Act 2006.

The principal accounting policies adopted by the Company are set out in note 2.

The Company is exempt from preparing Group financial statements under Section 400 of the Companies Act 2006. The financial statements present information about the Company as an individual undertaking and not about its group.

The parent company of the smallest group into which the results of the Company for the year ended 31 December 2021 were consolidated is GvH Vermögensverwaltungsgesellschaft XXXIII mbH. This entity is incorporated in Germany and its registered address is Gansheidestrasse 26, 70184 Stuttgart, Germany.

2. Summary of significant accounting policies**Statement of compliance**

The Company's accounts have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS), in conformity with the requirements of the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in GBP sterling and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

Covid-19

The principal risk identified as a result of the Covid-19 pandemic was recoverability of investments, the company's subsidiaries and other investments have holdings in a diverse range of investment funds and start-up companies, across multiple industries. The financial position of the investments in question have been reviewed and the directors are confident that their financial position supports the value of the investment.

Going Concern

Going concern has been assessed, taking into account the Company's current financial position and after assessing the impact of Covid-19 or macroeconomic uncertainties, and taking into account the nature of the holding company.

The liabilities in the accounts are due to related parties and attract non-cash interest. The amounts are repayable on demand however the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and meet their liabilities as they fall due in the next 12 months based on the support provided by GvH Vermögensverwaltungsgesellschaft XXXIII mbH ("the ultimate parent"). The company is not required to fund the operations of its investments, and any further investments are funded from the ultimate parent company. Based on enquiries performed the directors are confident that the ultimate parent can provide such support for the period to 30 September 2023. On this basis they continue to adopt the going concern basis of accounting in preparing the financial statements up to 30 September 2023.

Investments

All investments in subsidiaries and associates are recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment less provision for impairment.

Other investments are equity in nature and are classified as Equity instruments designated at fair value through profit or loss. After initial measurement the investments are carried on the balance sheet at fair value with net changes in fair value recognised in the Statement of Comprehensive Income.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Summary of significant accounting policies (continued)****Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement, and either (a) the Company has transferred substantially all the risk and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from the asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risk and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognised the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred assets is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues on a time proportion basis, taking into account the effective yield on the asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

Sale of Services

Revenue from services is recognised as the service is provided.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Summary of significant accounting policies (continued)****Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

New Standards adopted in the year

The Company has adopted the following new and amended IFRS and IFRIC standards and interpretations during the year, mandatory as at 1 January 2021 unless otherwise stated. Adoption of these revised standards and interpretations did not have any material impact on the Company's financial statements.

Amendments to IFRS 9, IFRS 39, IFRS 7, IFRS Interest Rate Benchmark Reform	
Amendments to IFRS 16	Covid-19 Related Rent Concessions

IASB have issued the following standards and interpretations with an effective date after the date of these financial statements:

Standard or interpretations	Title
Effective from 1 January 2022	
Amendments to IAS 1	Classification of Liabilities as
Amendments to IAS 16	Property, Plant and Equipment
Amendments to IAS 37	Onerous contracts
Amendments to IFRS 9	Financial Instruments
Amendments to IAS 41 Agriculture	Agriculture
Effective from 1 January 2023	
IFRS 17	Insurance contracts

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the year of initial application.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. Revenues and expenses**

	Note	2021 £'000	2020 £'000
Other income			
Other income		84	-
		<u>84</u>	<u>-</u>
Other expenses			
Other expenses		(85)	-
		<u>(85)</u>	<u>-</u>
Finance costs			
Interest payable	11	<u>(1,427)</u>	<u>(1,313)</u>

Fees payable to the company's auditor for the audit of the company's financial statements are borne by another group company. These fees amounted to £16,371 for the year (2020: £15,265).

4. Staff costs and directors' emoluments

The Company does not employ any staff or directors in its own right. Directors' remuneration is paid by other Group entities for their role in the Company as well as their role in the other Group entities. Directors' emoluments relating to the Company are therefore considered to be immaterial as the directors' role in the Company is incidental to their overall role in the Group.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****5. Income tax****(a) Tax on loss on ordinary activities**

Major components of income tax credit/(charge) are as follows:

	2021	2020
	£'000	£'000
Current year income tax credit	271	175
Prior year income tax credit/(charge)	6	(185)
	<u>277</u>	<u>(10)</u>
Total income tax credit/(charge)	<u>277</u>	<u>(10)</u>

(b) Reconciliation of the total tax (credit)/charge

A reconciliation of income tax (credit)/charge applicable to accounting loss before income tax at the statutory income tax rate to income tax (credit)/charge at the Company's effective income tax rate for the years ended 31 December 2021 and 2020 is as follows:

	2021	2020
	£'000	£'000
Accounting loss before income tax	<u>(1,428)</u>	<u>(1,313)</u>
At UK statutory income tax rate of 19% (2020: 19%)	(271)	(249)
Prior year tax (credit)/charge	(6)	185
Expenses not deductible for tax purposes	<u>-</u>	<u>74</u>
At effective income tax rate of 19.4% (2020: 0.7%)	<u>(277)</u>	<u>10</u>

The Company has tax losses of approximately £1,999,000 (2020: £1,999,000) that are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of future income against which the losses could be utilised.

Factors that may affect future tax charges:

No deferred income tax is recognised on the unremitted earnings of overseas subsidiaries, as the Company considers that no temporary difference exists on which a liability may be provided.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. It is not anticipated that these changes will have a material impact on the company's/group's deferred tax balances.

The effect on the Company of these further proposed changes of the UK tax system will be reflected in the Company's financial statements in future years, as appropriate.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. Investments**

	2021 £'000	2020 £'000
Shares in subsidiary undertakings	47,206	37,803
Other investments	6,890	5,750
	<u>54,096</u>	<u>43,553</u>

(a) Subsidiary undertakings:

	2021 £'000	2020 £'000
Shares at cost at 1 January	37,803	31,908
Acquisitions	9,403	5,895
Shares at cost at 31 December	<u>47,206</u>	<u>37,803</u>

See note 10 to the financial statements for list of subsidiaries.

(b) Associate undertakings:

During the year the following companies were considered to be associated undertakings of the Company:

	Country of Incorporation/ Registration	Class of Share	Proportion of Shares held by the Group as at 31 December	
			2021	2020
Easy-Aula Educacao E Services De Informmatica S.A.	Brazil	Ordinary	20.00%	20.00%
Veduca Limited	Brazil	Ordinary	16.25%	16.25%

(c) Other investments:

	2021 £'000	2020 £'000
Shares at cost at 1 January	5,750	5,600
Acquisitions	-	-
Net change in fair value	<u>1,140</u>	<u>150</u>
Fair value of investment at 31 December	<u>6,890</u>	<u>5,750</u>

The investment is classified as an available for sale investment and held at fair value in the balance sheet. The value of available for sale investments is reviewed periodically, an increase in fair value of £1,140,000 (2020: £150,000) was recognised in the year as a result of this review.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. Trade and other receivables**

	Note	2021 £'000	2020 £'000
Current			
Other current assets		-	-
		<u>-</u>	<u>-</u>

8. Issued share capital

	Number	£'000
Allotted, called up and fully paid:		
At 31 December 2021 and 2020		
Ordinary shares of £1 each	2	-
	<u>2</u>	<u>-</u>

9. Trade and other payables

	Note	2021 £'000	2020 £'000
Current			
Other related parties	11	-	52,847
		<u>-</u>	<u>52,847</u>

10. Other financial liabilities

	Note	2021 £'000	2020 £'000
Current			
Other related parties	11	634	-
		<u>634</u>	<u>-</u>
Non-current			
Other related parties	11	62,766	-
		<u>62,766</u>	<u>-</u>

Interest was charged on related party loans at rates ranging from 0% to 2.43%. Repayment dates range from on demand to 30 June 2023.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****11. Related party disclosures****a) Subsidiary undertakings**

At 31 December the following companies were principal subsidiaries, all shares held directly by the Company:

	Country of Incorporation/ Registration	Class of Share	Proportion of voting rights held by the Company	
			2021	2020
HFIJ Science & Technology Investments Limited, (Previously: Holtzbrinck Fund Investment (Jersey) Limited)	Jersey	Ordinary	100.00%	100.00%

The Company's immediate parent undertaking at 31 December 2021 is Holtzbrinck Investments Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking and controlling party is Georg von Holtzbrinck GmbH & Co. KG, a German partnership.

(b) Associated Undertakings

The following companies were considered to be associated undertakings of the Company:

*Associates***Easy-Aula Educacao E Services Informmatica S.A.**

The Company holds a 20.00% interest in Easy-Aula Educacao E Services Informmatica S.A. (2020: 20.00%).

Veduca Limited

The Company holds a 16.25% interest in Veduca Limited (2020: 16.25%).

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

		Other expenses to related parties £'000	Interest paid to related parties £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
<i>Related party</i>					
Ultimate holding company:					
Georg von Holtzbrinck & Co					
KG GmbH					
	2021	-	(1,413)	-	62,766
	2020	-	(1,283)	-	51,951
Fellow undertakings:					
Macmillan Publishers					
International Ltd					
	2021	-	(14)	-	634
	2020	-	(30)	-	896
Total	2021	-	(1,427)	-	63,400
	2020	-	(1,313)	-	52,847

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlements occur in cash. There have been no guarantees provided or received for any related party receivables. Loans payable to the Ultimate holdings company are repayable on demand and incur interest at variable rates based on LIBOR.

HOLTZBRINCK INVESTMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****12. Financial risk management objectives and policies**

The main risk arising from the Company's financial instruments is liquidity risk. The Company is not considered to be materially exposed to foreign currency, interest rate or credit risk. The board reviews and agrees the policy for managing the risk and this is summarised below. The Company also monitors the market price arising from all financial instruments.

Liquidity risk

Long-term Company financial facilities are arranged at the level of the Company's ultimate holding company. The Company maintains adequate short- and medium-term credit facilities with its banks to fund forecast working capital requirements.

Fair value of recognised financial instruments

In respect of AFS financial assets, the carrying amounts approximate fair value as management have assessed there has been no significant change in value since purchase.

In respect of trade and other payables, the carrying amounts approximate fair value due to the relatively short-term nature of these financial instruments.

13. Post balance sheet events

In light of the war in Ukraine which commenced on 24 February 2022, the Company has considered whether any adjustments are required to reported amounts in the financial statements. The Company does not have income or accounts receivable balances with customers in Russia or Ukraine. The effect of trading restrictions or sanctions is not considered to have a material adverse impact on the Company or its investee companies (further details can be found in the individual accounts of the investees). Accordingly, the war is considered to be a non-adjusting event.