

Company Registration No. 09442825 (England and Wales)

**OAK GROUP HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2022**



# OAK GROUP HOLDINGS LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | D Cross<br>L Cross   |
| <b>Secretary</b>         | L Cross  |
| <b>Company number</b>    | 09442825   |
| <b>Registered office</b> | Oak House<br>Woodlands Park<br>Ashton Road<br>Newton-Le-Willows<br>WA12 0HF  |
| <b>Auditor</b>           | RSM UK Audit LLP<br>Chartered Accountants<br>Bluebell House<br>Brian Johnson Way<br>Preston<br>Lancashire<br>PR2 5PE |
| <b>Bankers</b>           | National Westminster Bank plc<br>5 Ormskirk Street<br>St Helens<br>Merseyside<br>WA10 1DR                            |
| <b>Solicitors</b>        | DLA Piper UK LLP<br>Suite 3, The Plaza<br>Old Hall St<br>Liverpool<br>L3 9QJ   |

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# OAK GROUP HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2022

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The directors present the strategic report for the year ended 31 July 2022.

#### **Fair review of the business**

Turnover increased by 19.8% over the period, another strong year of growth after 17.4% growth in the previous year.

During the period, the group has continued to focus on developing and investing in its core strengths of exceptional customer service, industry leading brand offers, and nurturing customer relationships.

Global shipping costs reached unprecedented levels during the period, which made growth in percentage gross profit impossible in the short term. The focus of the directors was therefore to grow sales, and support customers' margin at a time of high inflation. The directors deemed this strategy to have worked well and is expected to deliver strong gross profit results as shipping prices normalise in the next period.

The group continued to invest in improving customer service and its product/brand offerings to the market, which have been a fundamental catalyst for sustainable growth in market share.

Profits after tax for the financial year were £5.93m, of which £2.45m was drawn in dividend payments, resulting in a strengthening in the group's net current assets of £3.6m. At year end, there was modest use of bank facilities based on the working capital requirements at the time.

The group continued to make substantial investments in fixed asset of £2.5m tangible and £0.4m intangible (£2.7m and £0.6m respectively in 2021). At the end of the year, £1m of additions were held as assets under construction relating to capital equipment for new products to be launched in the following period.

Overall the directors deem the group to be in a very healthy financial position with EBITDA at £9.9m.

#### **Future developments**

The group has committed to further development of its private and exclusive brand portfolio including expansion of the Davanti brand range during the period. Investments have been made in developing the marketing activities associated to the group's brand portfolio, and further new products are set to launch in the 22/23 financial period.

The group is committed to maintain and grow market share both in the UK and overseas markets.

The group has renewed its commitment to offset carbon emissions from its vehicle fleet in the 22/23 period.

#### **Principal risks and uncertainties**

The directors have taken steps to ensure that the day-to-day risks which the group may face (such as commercial or operational risks) are managed comprehensively by the management team. The specific risks which the company may face are: -

- Adverse economic externalities affecting competitiveness and flow of imports from the Far East
- Global shortages in passenger car tyres
- External factors that result in motorists driving fewer miles

The group has taken all reasonable steps to ensure that it's in the best possible position to continue investment in enhancing future growth despite the uncertainty brought about by macro-economic changes.

#### **Key performance indicators**

The group uses many KPIs to monitor the business including brand and customer performance reporting, return on capital employed, and sales growth.

# OAK GROUP HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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### Section 172 statement

The Board of Directors of Oak Group Holdings Limited, collectively and individually consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in the decisions taken during the year ended July 2022.

- Our plan was designed to have a long-term beneficial impact on the group and to contribute to its success in delivering a high quality of service across all of our business operations.
- Our team members are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. The health, safety and well-being of our team members is one of our primary considerations in the way we do business.
- Engagement with suppliers and customers is key to our success. We meet with our major stakeholders regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.
- Our plan took into account the impact of the group's activity on the community and environmental impact of vehicle emissions along with our wider social responsibilities.
- As the Board of Directors, our intention is to behave responsibly and ensure that the management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviour.
- As the Board of Directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

### Streamlined energy and carbon reporting

The group is a large unquoted group under the Streamlined Energy and Carbon Reporting regulations so must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport.

The reporting period is the most recent financial year 01/08/2021 to 31/07/2022. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the BEIS 2022 carbon conversion factors for all fuels.

# OAK GROUP HOLDINGS LIMITED

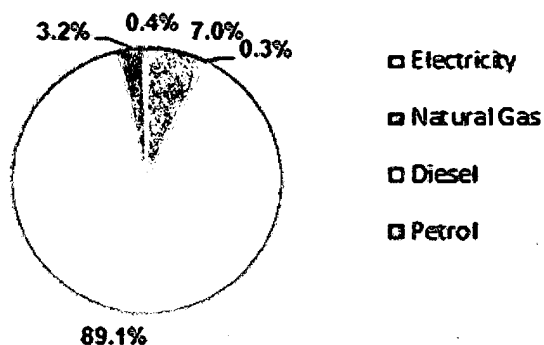
## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

UK Carbon footprint data 2021-2022:

| Scope           | Description                                   | Emissions Source   |                | tCO2e      |            |            |
|-----------------|---|--|----------------|------------|------------|------------|
|                 |   |  |                | 2019/20    | 2020/21    | 2021/22    |
| Scope 1         | Combustion of fuel on site and transportation | On site: Natural Gas Transport: Petrol, Diesel                 | Location based | 3,551      | 2,284      | 2,645      |
| Scope 2         | Purchased energy                              | Electricity  | Location based | 280        | 237        | 199        |
| Scope 3         | Indirect Emissions                            | Employee Business Mileage Claims: Unknown Vehicle Fuels        | Location based | 58         | 97         | 10         |
| Total           |   |  | Location based | 3,888      | 2,617      | 2,854      |
| Intensity Ratio | tCO2e / £1m Turnover                          |  | Location based | 46.9       | 26.60      | 22.88      |
| Energy Usage    | Total kWh consumed                            | Electricity, Natural Gas, Petrol, Diesel, Unknown vehicle fuel |                | 16,209,892 | 11,197,800 | 12,074,692 |
|                 | Renewable %                                   | Electricity  |                |            | 0%         | 0%         |

### Emissions detail by fuel type Location based method

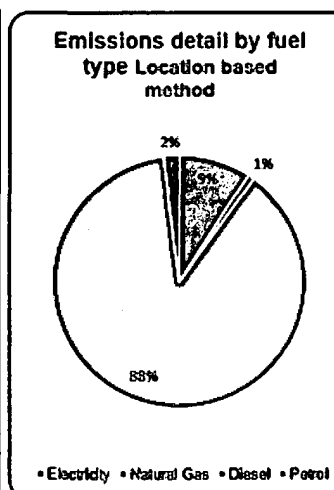


# OAK GROUP HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

UK Carbon footprint data 2020-2021:

| Scope           | Description                                   | Specific fuels                                    | tCO2e              |
|-----------------|---|---|--------------------|
| Scope 1         | Combustion of fuel on site and transportation | On site: Natural Gas<br>Transport: Petrol, Diesel | On Site 21         |
|                 |   |   | Transport 2,263    |
|                 |   |   | Total 2,284        |
| Scope 2         | Purchased energy                              | Electricity                                       | Location Based 237 |
| Scope 3         | Indirect Emissions                            | Employee Business Mileage                         | 97                 |
| Total           |   | Location based                                    | 2,617              |
| Intensity Ratio | tCO2e / £1m Turnover                          | Location based                                    | 26.61              |
| Energy Usage    | Total kWh consumed                            | Electricity, Natural Gas, Petrol, Diesel          | 11,197,800         |



### Year on Year Emissions Changes

Oak Tyre's location based emissions increased from 2,617tCO2e in 2020/21 to 2,854tCO2e in 2021/22. This is an emissions increase of 9%. Against the 2019/20 base year, location based emissions have decreased by 27%.

Scope 1 emissions increased from 2,284tCO2e in 2020/21 to 2,645tCO2e in 2021/22, an emissions increase of 16%.

Natural gas consumption decreased from 112,050kWh to 52,802kWh, resulting in an emissions decrease of 11tCO2e associated with natural gas consumption.

The emissions associated with scope 1 transport (petrol and diesel) increased from 2,284tCO2e in 2020/21 to 2,645tCO2e in 2021/22, an emissions increase of 16%.

Scope 2 electricity consumption fell from 1,115,873kWh in 2020/21 to 1,028,353kWh in 2021/22. Scope 2 location based emissions decreased by 38tCO2e.

### Energy Efficiency Actions taken

Oak Tyres Ltd have replaced a further 6 vehicles of their company fleet from petrol/diesel to Hybrid across the reporting period.

On behalf of the board

*Lawrence Cross*

L Cross  
Director

Date: 21/04/23

# **OAK GROUP HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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The directors present their annual report and financial statements for the year ended 31 July 2022.

#### **Principal activities**

The principal activity of the group continued to be that of wholesale and retail tyre sales. The principal activity of the company was that of a non-trading holding company.

#### **Results and dividends**

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £2,453,333 (2021: nil). The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Cross

L Cross

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Financial risk management objectives and policies**

The group finance their operations through a mixture of retained profits and where necessary, to fund expansion or capital expenditure programmes, through bank facilities and hire purchase finance. The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the group and company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the group and company's trading activities.

Hedge accounting is not used by the group or company.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

# OAK GROUP HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. This applies to the S172 statement, the energy and carbon reporting and details of future developments.

On behalf of the board

*Lawrence Cross*

.....  
L Cross  
Director

Date: 21/04/23  
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# **OAK GROUP HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

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## **Opinion**

We have audited the financial statements of Oak Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2022 and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Other information**

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate[s] in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OAK GROUP HOLDINGS LIMITED (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to vehicle transport licensing, tyre testing, Energy Product Registry for Energy Labelling (EPREL) for Davanti tyres and employment regulations. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied by management.

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.

*Dale Thorpe*

Dale Thorpe BSc FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE

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25/04/23

# OAK GROUP HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022

|   | Notes     | 2022<br>£         | 2021<br>£         |
|---|-----------|-------------------|-------------------|
| <b>Turnover</b>   | <b>3</b>  | 163,129,500       | 136,113,998       |
| Cost of sales   |           | (127,713,739)     | (100,992,615)     |
| <b>Gross profit</b>   |           | <b>35,415,761</b> | <b>35,121,383</b> |
| Distribution costs  |           | (14,784,059)      | (13,667,390)      |
| Administrative expenses                                     |           | (13,660,112)      | (12,120,222)      |
| Other operating income                                      | <b>4</b>  | 41,217            | 38,552            |
| <b>Operating profit</b>                                     | <b>7</b>  | <b>7,012,807</b>  | <b>9,372,323</b>  |
| Interest receivable and similar income                      | <b>9</b>  | 10,590            | 597               |
| Interest payable and similar expenses                       | <b>10</b> | (20,016)          | (14,989)          |
| <b>Profit before taxation</b>                               |           | <b>7,003,381</b>  | <b>9,357,931</b>  |
| Tax on profit   | <b>11</b> | (1,072,317)       | (1,837,390)       |
| <b>Profit for the financial year</b>                        |           | <b>5,931,064</b>  | <b>7,520,541</b>  |
| <b>Other comprehensive income net of taxation</b>           |           |                   |                   |
| Currency translation differences                            |           | 904               | -                 |
| <b>Total comprehensive income for the year</b>              |           | <b>5,931,968</b>  | <b>7,520,541</b>  |
| Profit for the financial year is attributable to:           |           |                   |                   |
| - Owners of the parent company                              |           | 5,869,421         | 7,478,593         |
| - Non-controlling interests                                 |           | 61,643            | 41,948            |
|   |           | <b>5,931,064</b>  | <b>7,520,541</b>  |
| Total comprehensive income for the year is attributable to: |           |                   |                   |
| - Owners of the parent company                              |           | 5,870,325         | 7,478,593         |
| - Non-controlling interests                                 |           | 61,643            | 41,948            |
|   |           | <b>5,931,968</b>  | <b>7,520,541</b>  |

**OAK GROUP HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2022**

|  | Notes | 2022<br>£    | £           | 2021<br>£    | £           |
|--|-------|--------------|-------------|--------------|-------------|
| <b>Fixed assets</b>  |       |              |             |              |             |
| Intangible assets  | 13    | 2,509,304    |             | 2,628,633    |             |
| Tangible assets  | 14    | 9,531,988    |             | 9,264,906    |             |
|  |       |              | 12,041,292  |              | 11,893,539  |
| <b>Current assets</b>  |       |              |             |              |             |
| Stocks   | 17    | 32,117,128   |             | 23,491,398   |             |
| Debtors  | 18    | 30,598,749   |             | 28,167,453   |             |
| Cash at bank and in hand                                       |       | 1,147,546    |             | 4,417,035    |             |
|  |       |              | 63,863,423  |              | 56,075,886  |
| <b>Creditors: amounts falling due within one year</b>          | 19    | (34,706,365) |             | (30,531,925) |             |
| <b>Net current assets</b>                                      |       |              | 29,157,058  |              | 25,543,961  |
| <b>Total assets less current liabilities</b>                   |       |              | 41,198,350  |              | 37,437,500  |
| <b>Creditors: amounts falling due after more than one year</b> | 20    |              | -           |              | (10,170)    |
| <b>Provisions for liabilities</b>                              | 24    |              | (1,371,833) |              | (1,079,448) |
| <b>Net assets</b>  |       |              | 39,826,517  |              | 36,347,882  |
| <b>Capital and reserves</b>                                    |       |              |             |              |             |
| Called up share capital  | 26    | 13,045,000   |             | 13,045,000   |             |
| Other reserves   | 27    | (14,535,000) |             | (14,535,000) |             |
| Profit and loss reserves                                       | 27    | 41,341,171   |             | 37,924,179   |             |
| <b>Equity attributable to owners of the parent company</b>     |       |              | 39,851,171  |              | 36,434,179  |
| <b>Non-controlling interests</b>                               |       |              | (24,654)    |              | (86,297)    |
|  |       |              | 39,826,517  |              | 36,347,882  |

21/04/23

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

*Lawrence Cross*

.....  
L Cross  
Director

**OAK GROUP HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2022**

|   | Notes | 2022<br>£ | £          | 2021<br>£ | £          |
|---|-------|-----------|------------|-----------|------------|
| <b>Fixed assets</b>                                   |       |           |            |           |            |
| Investments   | 15    |           | 13,045,076 |           | 13,045,076 |
| <b>Current assets</b>                                 |       |           |            |           |            |
| Debtors   | 18    | 95,536    |            | 634,776   |            |
| Cash at bank and in hand                              |       | 3,796     |            | 23,442    |            |
|   |       | 99,332    |            | 658,218   |            |
| <b>Creditors: amounts falling due within one year</b> | 19    | (46,075)  |            | (696,076) |            |
| <b>Net current assets/(liabilities)</b>               |       |           | 53,257     |           | (37,858)   |
| <b>Total assets less current liabilities</b>          |       |           | 13,098,333 |           | 13,007,218 |
| <b>Capital and reserves</b>                           |       |           |            |           |            |
| Called up share capital                               | 26    |           | 13,045,000 |           | 13,045,000 |
| Profit and loss reserves                              | 27    |           | 53,333     |           | (37,782)   |
| <b>Total equity</b>                                   |       |           | 13,098,333 |           | 13,007,218 |

As permitted by S408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,544,448 (2021 - £46,024 loss).

21/04/23

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

*Lawrence Cross*

.....  
L Cross  
Director

## OAK GROUP HOLDINGS LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2022

|  | Notes | Share capital<br>£ | Other reserves<br>£ | Profit and loss reserves<br>£ | Total controlling interest<br>£ | Non-controlling interest<br>£ | Total<br>£  |
|--|-------|--------------------|---------------------|-------------------------------|---------------------------------|-------------------------------|-------------|
| <b>Balance at 1 August 2020</b>                    |       | 13,045,000         | (14,535,000)        | 30,445,586                    | 28,955,586                      | (128,245)                     | 28,827,341  |
| <b>Year ended 31 July 2021:</b>                    |       |                    |                     |                               |                                 |                               |             |
| Profit and total comprehensive income for the year |       | -                  | -                   | 7,478,593                     | 7,478,593                       | 41,948                        | 7,520,541   |
| <b>Balance at 31 July 2021</b>                     |       | 13,045,000         | (14,535,000)        | 37,924,179                    | 36,434,179                      | (86,297)                      | 36,347,882  |
| <b>Year ended 31 July 2022:</b>                    |       |                    |                     |                               |                                 |                               |             |
| Profit for the year                                |       | -                  | -                   | 5,869,421                     | 5,869,421                       | 61,643                        | 5,931,064   |
| Other comprehensive income net of taxation:        |       |                    |                     |                               |                                 |                               |             |
| Currency translation differences                   |       | -                  | -                   | 904                           | 904                             | -                             | 904         |
| Total comprehensive income for the year            |       | -                  | -                   | 5,870,325                     | 5,870,325                       | 61,643                        | 5,931,968   |
| Dividends  | 12    | -                  | -                   | (2,453,333)                   | (2,453,333)                     | -                             | (2,453,333) |
| <b>Balance at 31 July 2022</b>                     |       | 13,045,000         | (14,535,000)        | 41,341,171                    | 39,851,171                      | (24,654)                      | 39,826,517  |



# OAK GROUP HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2022

|  | Notes | Share capital<br>£ | Profit and loss reserves<br>£ | Total<br>£  |
|--|-------|--------------------|-------------------------------|-------------|
| <b>Balance at 1 August 2020</b>                    |       | 13,045,000         | 8,242                         | 13,053,242  |
| <b>Year ended 31 July 2021:</b>                    |       |                    |                               |             |
| Loss and total comprehensive income for the year   |       | -                  | (46,024)                      | (46,024)    |
| <b>Balance at 31 July 2021</b>                     |       | 13,045,000         | (37,782)                      | 13,007,218  |
| <b>Year ended 31 July 2022:</b>                    |       |                    |                               |             |
| Profit and total comprehensive income for the year |       | -                  | 2,544,448                     | 2,544,448   |
| Dividends  | 12    | -                  | (2,453,333)                   | (2,453,333) |
| <b>Balance at 31 July 2022</b>                     |       | 13,045,000         | 53,333                        | 13,098,333  |

# OAK GROUP HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

|   | Notes | 2022<br>£                 | £ | 2021<br>£               | £ |
|---|-------|---------------------------|---|-------------------------|---|
| <b>Cash flows from operating activities</b>                   |       |                           |   |                         |   |
| Cash generated from operations                                | 28    | 1,815,414                 |   | 3,169,195               |   |
| Interest paid   |       | (20,016)                  |   | (14,989)                |   |
| Income taxes paid   |       | (1,352,471)               |   | (1,646,623)             |   |
| <b>Net cash inflow from operating activities</b>              |       | <u>442,927</u>            |   | <u>1,507,583</u>        |   |
| <b>Investing activities</b>                                   |       |                           |   |                         |   |
| Purchase and development expenditure on intangible assets     |       | (440,637)                 |   | (610,186)               |   |
| Purchase of tangible fixed assets                             |       | (2,530,094)               |   | (2,673,941)             |   |
| Proceeds on disposal of tangible fixed assets                 |       | 46,288                    |   | 123,659                 |   |
| Interest received   |       | 10,590                    |   | 597                     |   |
| <b>Net cash used in investing activities</b>                  |       | <u>(2,913,853)</u>        |   | <u>(3,159,871)</u>      |   |
| <b>Financing activities</b>                                   |       |                           |   |                         |   |
| Payment of finance leases obligations                         |       | (184,174)                 |   | (459,636)               |   |
| Dividends paid to equity shareholders                         |       | (2,453,333)               |   | -                       |   |
| <b>Net cash used in financing activities</b>                  |       | <u>(2,637,507)</u>        |   | <u>(459,636)</u>        |   |
| <b>Net decrease in cash and cash equivalents</b>              |       | <u>(5,108,433)</u>        |   | <u>(2,111,924)</u>      |   |
| Cash and cash equivalents at beginning of year                |       | 4,417,035                 |   | 6,646,913               |   |
| Effect of foreign exchange rates                              |       | 103,863                   |   | (117,954)               |   |
| <b>Cash and cash equivalents at end of year</b>               |       | <u><u>(587,535)</u></u>   |   | <u><u>4,417,035</u></u> |   |
| <b>Relating to:</b>   |       |                           |   |                         |   |
| Cash at bank and in hand                                      |       | 1,147,546                 |   | 4,417,035               |   |
| Bank overdrafts included in creditors payable within one year |       | <u><u>(1,735,081)</u></u> |   | <u><u>-</u></u>         |   |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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### 1 Accounting policies

#### Company information

Oak Group Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Oak House, Woodlands Park, Ashton Road, Newton-Le-Willows, WA12 0HF.

The group consists of Oak Group Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Oak Group Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits), except Davanti World B.V, a company in The Netherlands, which has been excluded on the grounds of immateriality. The consolidated financial statements merge the financial statements of those subsidiary undertakings which are controlled by the shareholders of Oak Group Holdings Limited as if they had always been part of the group. Accordingly, in the period when such acquisitions take place, the whole of the results, assets, liabilities and shareholders' funds of the acquired companies are consolidated, regardless of the actual acquisition date, and corresponding figures for previous years are re-stated to incorporate the results of the companies for that period under merger accounting.

All financial statements are made up to 31 July 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Any non-controlling interest in the acquiree is recognised at the non-controlling interest's share of the acquiree's net identifiable assets, liabilities and provisions for contingent liabilities recognised at the acquisition date.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

##### Going concern

In assessing the ability of the group to continue to operate as a going concern for the foreseeable future, the directors have considered scenarios which have involved a degree of judgement based upon experience of the sector, forecast activity and the cash resources available to ensure that the financial statements can be prepared on the going concern basis. The Directors continue to review in detail the group's position and the appropriate basis on which to prepare the financial statements. The Directors have considered detailed projections to April 2024, together with a longer-term assessment, to stress test the financial resilience of the group which take into account both a potential decline in income and increase in costs over this period. The Group meets its day to day working capital requirements via bank facilities. At the year end and the date of signing, the directors are satisfied that there is sufficient headroom available. To the date of approval of the financial statements, consideration of the possible future impact on the customer base and available facilities, the Directors consider that it remains appropriate to prepare the financial statements on a going concern basis. The stress testing of the group's financial position has satisfied the Directors that it has adequate reserves and mitigation strategies available to deal with reasonable downside scenarios.

##### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs are capitalised where the directors can demonstrate that it is probable that future economic benefit will flow from the transaction and when the cost can be reliably measured.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                   |                          |
|-------------------|--------------------------|
| Software costs    | 33% straight line        |
| Trademarks        | 5-10 years straight line |
| Development costs | 33% straight line        |

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### 1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                              |   |
|------------------------------|---|
| Freehold land                | Not depreciated                                   |
| Leasehold land and buildings | 10% straight line and over the life of the leases |
| Plant and equipment          | 10-25% straight line                              |
| Fixtures and fittings        | 10-50% straight line                              |
| Motor vehicles               | 25-50% straight line                              |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### 1 Accounting policies (Continued)

##### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank overdrafts and amounts due to group undertakings, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# **OAK GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 JULY 2022**

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#### **1 Accounting policies (Continued)**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The government grant income received during the year ended 31 July 2021 related to the government's Coronavirus Job Retention Scheme.

The grant specifies performance conditions and is recognised in income when the performance conditions are met, which is the month in which the employees are paid. A grant received before the recognition criteria are satisfied is recognised as a liability.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### 1 Accounting policies (Continued)

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Stock provision**

The company is a wholesaler of tyres and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the products, as well as applying assumptions around anticipated saleability of the goods.

##### **Treatment of leases**

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee.

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Useful economic lives of property, plant and equipment**

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The net carrying amount is £9,531,988 (2021: £9,264,906).



# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

|   | 2022<br>£          | 2021<br>£          |
|---|--------------------|--------------------|
| <b>Turnover analysed by class of business</b>   |                    |                    |
| Provision of goods                              | 163,129,500        | 136,113,998        |
|   | <u>163,129,500</u> | <u>136,113,998</u> |
| <b>Other revenue</b>                            |                    |                    |
| Interest income                                 | 10,590             | 597                |
| Grants received                                 | -                  | 38,552             |
|   | <u>10,590</u>      | <u>38,552</u>      |
|   | <u>173,720</u>     | <u>39,149</u>      |
| <b>Turnover analysed by geographical market</b> |                    |                    |
| United Kingdom                                  | 144,006,194        | 124,083,112        |
| Europe  | 9,100,744          | 5,052,757          |
| Rest of the world                               | 10,022,562         | 6,978,129          |
|   | <u>163,129,500</u> | <u>136,113,998</u> |

#### 4 Other operating income

Included within other operating income is £nil (2021: £38,552) relating to government grants received from the coronavirus job retention scheme.

#### 5 Employees

The average monthly number of persons (including directors) employed during the year was:

|                | Group<br>2022<br>Number | 2021<br>Number | Company<br>2022<br>Number | 2021<br>Number |
|----------------|-------------------------|----------------|---------------------------|----------------|
| Distribution   | 290                     | 264            | -                         | -              |
| Administrative | 79                      | 77             | -                         | -              |
| Directors      | 2                       | 2              | -                         | -              |
|                | <u>371</u>              | <u>343</u>     | <u>-</u>                  | <u>-</u>       |
| Total          | <u>371</u>              | <u>343</u>     | <u>-</u>                  | <u>-</u>       |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 5 Employees (Continued)

Their aggregate remuneration comprised:

|                       | Group<br>2022<br>£ | 2021<br>£         | Company<br>2022<br>£ | 2021<br>£ |
|-----------------------|--------------------|-------------------|----------------------|-----------|
| Wages and salaries    | 11,711,670         | 11,419,475        | -                    | -         |
| Social security costs | 1,350,770          | 1,186,065         | -                    | -         |
| Pension costs         | 239,561            | 202,890           | -                    | -         |
|                       | <u>13,302,001</u>  | <u>12,808,430</u> | <u>-</u>             | <u>-</u>  |

#### 6 Directors' remuneration

|   | 2022<br>£     | 2021<br>£     |
|---|---------------|---------------|
| Remuneration for qualifying services                          | 62,649        | 44,287        |
| Company pension contributions to defined contribution schemes | 1,500         | 1,500         |
|   | <u>64,149</u> | <u>45,787</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021: 2).

#### 7 Operating profit

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Operating profit for the year is stated after charging/(crediting): |                  |                  |
| Research and development costs                                      | 734,749          | 982,561          |
| Government grants   | -                | (38,552)         |
| Depreciation of owned tangible fixed assets                         | 2,048,825        | 1,848,264        |
| Depreciation of tangible fixed assets held under finance leases     | 191,830          | 253,796          |
| Profit on disposal of tangible fixed assets                         | (23,901)         | (30,574)         |
| Amortisation of intangible assets                                   | 560,043          | 527,360          |
| Operating lease charges   | <u>1,760,106</u> | <u>1,852,176</u> |

#### 8 Auditor's remuneration

|   | 2022<br>£     | 2021<br>£     |
|---|---------------|---------------|
| Fees payable to the company's auditor and associates:           |               |               |
| For audit services  |               |               |
| Audit of the financial statements of the group and company      | -             | -             |
| Audit of the financial statements of the company's subsidiaries | <u>40,700</u> | <u>30,250</u> |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 8 Auditor's remuneration (Continued)

|                              |               |               |
|------------------------------|---------------|---------------|
| <b>For other services</b>    |               |               |
| Taxation compliance services | 9,050         | 8,300         |
| All other non-audit services | 14,000        | 12,950        |
|                              | <u>23,050</u> | <u>21,250</u> |

In the current and prior year, the audit fee was borne by Oak Tyres UK Limited.

#### 9 Interest receivable and similar income

|                           | 2022          | 2021       |
|---------------------------|---------------|------------|
|                           | £             | £          |
| <b>Interest income</b>    |               |            |
| Interest on bank deposits | 10,590        | 597        |
|                           | <u>10,590</u> | <u>597</u> |

#### 10 Interest payable and similar expenses

|  | 2022          | 2021          |
|--|---------------|---------------|
|  | £             | £             |
| Interest on bank overdrafts                            | 12,902        | 38            |
| Interest on finance leases and hire purchase contracts | 5,770         | 14,951        |
| Other interest   | 1,344         | -             |
|  | <u>20,016</u> | <u>14,989</u> |

#### 11 Taxation

|   | 2022             | 2021             |
|---|------------------|------------------|
|   | £                | £                |
| <b>Current tax</b>                                    |                  |                  |
| UK corporation tax on profits for the current period  | 844,548          | 1,349,064        |
| Adjustments in respect of prior periods               | (99,744)         | 28,742           |
|   | <u>744,804</u>   | <u>1,377,806</u> |
| Total UK current tax                                  | 744,804          | 1,377,806        |
| Foreign current tax on profits for the current period | 452              | -                |
|   | <u>745,256</u>   | <u>1,377,806</u> |
| <b>Deferred tax</b>                                   |                  |                  |
| Origination and reversal of timing differences        | 324,007          | 263,837          |
| Changes in tax rates                                  | -                | 195,747          |
| Adjustment in respect of prior periods                | 3,054            | -                |
|   | <u>327,061</u>   | <u>459,584</u>   |
| Total deferred tax                                    | 327,061          | 459,584          |
|   | <u>1,072,317</u> | <u>1,837,390</u> |
| Total tax charge                                      | 1,072,317        | 1,837,390        |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 11 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Profit before taxation   | 7,003,381 | 9,357,931 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 1,330,642 | 1,778,007 |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 40,124    | 31,568    |
| Adjustments in respect of prior years  | (99,744)  | 28,742    |
| Permanent capital allowances in excess of depreciation   | (128,644) | (17,144)  |
| Research and development tax credit  | (181,483) | (242,692) |
| Other permanent differences  | (15)      | (159)     |
| Effect of overseas tax rates   | 30,622    | -         |
| Deferred tax adjustments in respect of prior years   | 3,054     | -         |
| Adjustment to closing deferred tax   | 77,761    | 259,068   |
| Taxation charge  | 1,072,317 | 1,837,390 |

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2025. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% to the extent that associated timing or temporary differences are expected to reverse after 1 April 2023, which was the tax rate substantively enacted at 31 July 2022.

#### 12 Dividends

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Recognised as distributions to equity holders: |           |           |
| Final paid                                     | 2,453,333 | -         |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 13 Intangible fixed assets

| Group                              | Software costs | Trademarks | Development costs | Total     |
|------------------------------------|----------------|------------|-------------------|-----------|
|                                    | £              | £          | £                 | £         |
| <b>Cost</b>                        |                |            |                   |           |
| At 1 August 2021                   | -              | 1,583,560  | 2,880,904         | 4,464,464 |
| Additions - internally developed   | -              | -          | 208,068           | 208,068   |
| Additions - separately acquired    | 16,854         | 215,715    | -                 | 232,569   |
| Disposals                          | -              | -          | (4,275)           | (4,275)   |
| Exchange adjustments               | 64             | 9          | -                 | 73        |
| At 31 July 2022                    | 16,918         | 1,799,284  | 3,084,697         | 4,900,899 |
| <b>Amortisation and impairment</b> |                |            |                   |           |
| At 1 August 2021                   | -              | 476,424    | 1,359,407         | 1,835,831 |
| Amortisation charged for the year  | 1,674          | 172,341    | 386,028           | 560,043   |
| Disposals                          | -              | -          | (4,275)           | (4,275)   |
| Exchange adjustments               | (10)           | 6          | -                 | (4)       |
| At 31 July 2022                    | 1,664          | 648,771    | 1,741,160         | 2,391,595 |
| <b>Carrying amount</b>             |                |            |                   |           |
| At 31 July 2022                    | 15,254         | 1,150,513  | 1,343,537         | 2,509,304 |
| At 31 July 2021                    | -              | 1,107,136  | 1,521,497         | 2,628,633 |

The company had no intangible fixed assets at 31 July 2022 or 31 July 2021.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 14 Tangible fixed assets

| Group                              | Freehold land | Leasehold land and buildings | Assets under construction | Plant and equipment | Fixtures and fittings | Motor vehicles | Total      |
|------------------------------------|---------------|------------------------------|---------------------------|---------------------|-----------------------|----------------|------------|
|                                    | £             | £                            | £                         | £                   | £                     | £              | £          |
| <b>Cost</b>                        |               |                              |                           |                     |                       |                |            |
| At 1 August 2021                   | 350,195       | 1,886,195                    | 500,580                   | 8,180,735           | 5,030,398             | 3,071,512      | 19,019,615 |
| Additions                          | -             | 6,898                        | 1,031,526                 | 778,546             | 302,342               | 410,782        | 2,530,094  |
| Disposals                          | -             | -                            | -                         | (28,043)            | -                     | (218,180)      | (246,223)  |
| Transfers                          | -             | -                            | (422,465)                 | 422,465             | -                     | -              | -          |
| Exchange adjustments               | -             | (2)                          | -                         | -                   | 26                    | -              | 24         |
| At 31 July 2022                    | 350,195       | 1,893,091                    | 1,109,641                 | 9,353,703           | 5,332,766             | 3,264,114      | 21,303,510 |
| <b>Depreciation and impairment</b> |               |                              |                           |                     |                       |                |            |
| At 1 August 2021                   | -             | 1,167,419                    | -                         | 3,440,412           | 3,749,564             | 1,397,314      | 9,754,709  |
| Depreciation charged in the year   | -             | 109,770                      | -                         | 1,005,394           | 476,024               | 649,467        | 2,240,655  |
| Eliminated in respect of disposals | -             | -                            | -                         | (27,834)            | -                     | (196,002)      | (223,836)  |
| Exchange adjustments               | -             | -                            | -                         | -                   | (6)                   | -              | (6)        |
| At 31 July 2022                    | -             | 1,277,189                    | -                         | 4,417,972           | 4,225,582             | 1,850,779      | 11,771,522 |
| <b>Carrying amount</b>             |               |                              |                           |                     |                       |                |            |
| At 31 July 2022                    | 350,195       | 615,902                      | 1,109,641                 | 4,935,731           | 1,107,184             | 1,413,335      | 9,531,988  |
| At 31 July 2021                    | 350,195       | 718,776                      | 500,580                   | 4,740,323           | 1,280,834             | 1,674,198      | 9,264,906  |

The company had no tangible fixed assets at 31 July 2022 or 31 July 2021.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 14 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

|                       | Group<br>2022<br>£ | 2021<br>£      | Company<br>2022<br>£ | 2021<br>£ |
|-----------------------|--------------------|----------------|----------------------|-----------|
| Fixtures and fittings | 272,563            | -              | -                    | -         |
| Motor vehicles        | 135,582            | 599,974        | -                    | -         |
|                       | <u>408,145</u>     | <u>599,974</u> | <u>-</u>             | <u>-</u>  |

### 15 Fixed asset investments

|                             | Notes | Group<br>2022<br>£ | 2021<br>£ | Company<br>2022<br>£ | 2021<br>£  |
|-----------------------------|-------|--------------------|-----------|----------------------|------------|
| Investments in subsidiaries | 16    | -                  | -         | 13,045,076           | 13,045,076 |

On 26 November 2021, Davanti World Limited, a subsidiary of Oak Group Holdings Limited, subscribed to the entire share capital of Davanti Tyres S.r.l.

#### Movements in fixed asset investments Company

|                                   | Shares in<br>group<br>undertakings<br>£ |
|-----------------------------------|---|
| <b>Cost</b>                       |   |
| At 1 August 2021 and 31 July 2022 | <u>13,045,076</u>                       |
| <b>Carrying amount</b>            |   |
| At 31 July 2022                   | <u>13,045,076</u>                       |
| At 31 July 2021                   | <u>13,045,076</u>                       |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 16 Subsidiaries

Details of the company's subsidiaries at 31 July 2022 are as follows:

| Name of undertaking   | Address | Nature of business  | Class of shares held | % Held |          |
|-----------------------|---------|---|----------------------|--------|----------|
|                       |         |   |                      | Direct | Indirect |
| Davanti Tyres Limited | 1       | Development of moulds and trademarks for manufacture of own brand tyres | Ordinary             | 75.00  | -        |
| Davanti World Limited | 1       | Wholesale of own brand tyres  | Ordinary             | 100.00 | -        |
| Oak Tyres UK Limited  | 1       | Wholesale and retail tyre sales   | Ordinary             | 100.00 | -        |
| Davanti World B.V     | 2       | Dormant   | Ordinary             | -      | 100.00   |
| Davanti Tyres S.r.l.  | 3       | Wholesale of own brand tyres  | Ordinary             | -      | 100.00   |

Registered office addresses (all UK unless otherwise indicated):

- 1 Oak House, Woodlands Park, Ashton Road, Newton-Le-Willows, WA12 0HF
- 2 Keizersgracht 62, 1015 CS, Amsterdam
- 3 Foro Buonaparte, 67, 20121, Milano

### 17 Stocks

|                                     | Group<br>2022<br>£ | 2021<br>£  | Company<br>2022<br>£ | 2021<br>£ |
|-------------------------------------|--------------------|------------|----------------------|-----------|
| Finished goods and goods for resale | 32,117,128         | 23,491,398 | -                    | -         |

A stock provision of £184,777 (2021: £1,145,705) has been made against stock during the year.

### 18 Debtors

|   | Group<br>2022<br>£ | 2021<br>£         | Company<br>2022<br>£ | 2021<br>£      |
|---|--------------------|-------------------|----------------------|----------------|
| <b>Amounts falling due within one year:</b> |                    |                   |                      |                |
| Trade debtors                               | 24,778,986         | 21,082,479        | -                    | -              |
| Amounts owed by group undertakings          | -                  | -                 | 95,536               | -              |
| Other debtors                               | 3,684,461          | 5,003,909         | -                    | 634,776        |
| Prepayments and accrued income              | 2,135,302          | 2,081,065         | -                    | -              |
|   | <u>30,598,749</u>  | <u>28,167,453</u> | <u>95,536</u>        | <u>634,776</u> |



# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 19 Creditors: amounts falling due within one year

|                                    | Notes | Group<br>2022<br>£ | 2021<br>£         | Company<br>2022<br>£ | 2021<br>£      |
|------------------------------------|-------|--------------------|-------------------|----------------------|----------------|
| Bank overdrafts                    | 21    | 1,735,081          | -                 | -                    | -              |
| Obligations under finance leases   | 22    | 10,170             | 184,174           | -                    | -              |
| Trade creditors                    |       | 24,609,653         | 23,261,779        | -                    | -              |
| Amounts owed to group undertakings |       | -                  | -                 | -                    | 696,001        |
| Corporation tax payable            |       | 371,315            | 943,854           | -                    | -              |
| Other taxation and social security |       | 2,658,023          | 2,702,244         | -                    | -              |
| Other creditors                    |       | 3,117,354          | 1,181,913         | 46,075               | 75             |
| Accruals and deferred income       |       | 2,204,769          | 2,257,961         | -                    | -              |
|                                    |       | <u>34,706,365</u>  | <u>30,531,925</u> | <u>46,075</u>        | <u>696,076</u> |

### 20 Creditors: amounts falling due after more than one year

|                                  | Notes | Group<br>2022<br>£ | 2021<br>£     | Company<br>2022<br>£ | 2021<br>£ |
|----------------------------------|-------|--------------------|---------------|----------------------|-----------|
| Obligations under finance leases | 22    | -                  | 10,170        | -                    | -         |
|                                  |       | <u>-</u>           | <u>10,170</u> | <u>-</u>             | <u>-</u>  |

### 21 Borrowings

|                         | Group<br>2022<br>£ | 2021<br>£ | Company<br>2022<br>£ | 2021<br>£ |
|-------------------------|--------------------|-----------|----------------------|-----------|
| Bank overdrafts         | 1,735,081          | -         | -                    | -         |
|                         | <u>1,735,081</u>   | <u>-</u>  | <u>-</u>             | <u>-</u>  |
| Payable within one year | 1,735,081          | -         | -                    | -         |
|                         | <u>1,735,081</u>   | <u>-</u>  | <u>-</u>             | <u>-</u>  |

The bank facilities are secured by fixed and floating charges held over the assets of the company.

### 22 Finance lease obligations

|   | Group<br>2022<br>£ | 2021<br>£      | Company<br>2022<br>£ | 2021<br>£ |
|---|--------------------|----------------|----------------------|-----------|
| Future minimum lease payments due under finance leases: |                    |                |                      |           |
| Less than one year                                      | 10,170             | 184,174        | -                    | -         |
| Between one and five years                              | -                  | 10,170         | -                    | -         |
|   | <u>10,170</u>      | <u>194,344</u> | <u>-</u>             | <u>-</u>  |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 22 Finance lease obligations (Continued)

The lease obligations represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The average lease term was three years.

Finance lease obligations are secured on the assets to which they relate.

#### 23 Provisions for liabilities

|                          | Notes | Group<br>2022<br>£ | 2021<br>£ | Company<br>2022<br>£ | 2021<br>£ |
|--------------------------|-------|--------------------|-----------|----------------------|-----------|
| Deferred tax liabilities | 24    | 1,371,833          | 1,079,448 | -                    | -         |

#### 24 Deferred taxation

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| Group                          | Liabilities<br>2022<br>£ | Liabilities<br>2021<br>£ |
|--------------------------------|--------------------------|--------------------------|
| Accelerated capital allowances | 1,392,096                | 1,095,215                |
| Short term timing differences  | (20,263)                 | (15,767)                 |
|                                | <u>1,371,833</u>         | <u>1,079,448</u>         |

The company has no deferred tax assets or liabilities.

|                               | Group<br>2022<br>£ | Company<br>2022<br>£ |
|-------------------------------|--------------------|----------------------|
| <b>Movements in the year:</b> |                    |                      |
| Liability at 1 August 2021    | 1,079,448          | -                    |
| Charge to profit or loss      | 292,385            | -                    |
| Liability at 31 July 2022     | <u>1,371,833</u>   | <u>-</u>             |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 25 Retirement benefit schemes

|   | 2022    | 2021    |
|---|---------|---------|
|   | £       | £       |
| Defined contribution schemes  |         |         |
| Charge to profit or loss in respect of defined contribution schemes | 239,561 | 202,890 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Included within creditors at the year end are outstanding pension contributions of £34,738 (2021: £95,887).

### 26 Share capital

|   | 2022       | Group and Company |            | 2021       |
|---|------------|-------------------|------------|------------|
|   | Number     | 2021              | 2022       | 2021       |
|   |            | Number            | £          | £          |
| Ordinary share capital<br>Issued and fully paid |            |                   |            |            |
| Ordinary shares of £1 each                      | 13,045,000 | 13,045,000        | 13,045,000 | 13,045,000 |

The shares have full voting, dividend and capital distribution rights.

### 27 Reserves

#### Other reserve

This reserve has arisen as a result of merger accounting being applied. Further details are included within the accounting policies.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 28 Cash generated from group operations

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Profit for the year after tax                        | 5,931,064        | 7,520,541        |
| <b>Adjustments for:</b>                              |                  |                  |
| Taxation charged                                     | 1,072,317        | 1,837,390        |
| Finance costs  | 20,016           | 14,989           |
| Investment income                                    | (10,590)         | (597)            |
| Gain on disposal of tangible fixed assets            | (23,901)         | (30,574)         |
| Amortisation and impairment of intangible assets     | 560,043          | 527,360          |
| Depreciation and impairment of tangible fixed assets | 2,240,655        | 2,102,060        |
| Foreign exchange gains on cash equivalents           | (103,066)        | 117,954          |
| <b>Movements in working capital:</b>                 |                  |                  |
| Increase in stocks                                   | (8,625,730)      | (6,857,597)      |
| Increase in debtors                                  | (2,431,296)      | (6,179,801)      |
| Increase in creditors                                | 3,185,902        | 4,117,470        |
| <b>Cash generated from operations</b>                | <b>1,815,414</b> | <b>3,169,195</b> |

#### 29 Analysis of changes in net funds/(debt) - group

|                                  | 1 August 2021<br>£ | Cash flows<br>£ | Exchange rate<br>movements<br>£ | 31 July 2022<br>£ |
|----------------------------------|--------------------|-----------------|---------------------------------|-------------------|
| Cash at bank and in hand         | 4,417,035          | (3,373,352)     | 103,863                         | 1,147,546         |
| Bank overdrafts                  | -                  | (1,735,081)     | -                               | (1,735,081)       |
|                                  | 4,417,035          | (5,108,433)     | 103,863                         | (587,535)         |
| Obligations under finance leases | (194,344)          | 184,174         | -                               | (10,170)          |
|                                  | 4,222,691          | (4,924,259)     | 103,863                         | (597,705)         |

# OAK GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 30 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | Group<br>2022<br>£ | 2021<br>£        | Company<br>2022<br>£ | 2021<br>£ |
|----------------------------|--------------------|------------------|----------------------|-----------|
| Within one year            | 2,685,022          | 1,793,206        | -                    | -         |
| Between one and five years | 3,564,192          | 1,658,421        | -                    | -         |
| In over five years         | 3,832,335          | 990,000          | -                    | -         |
|                            | <u>10,081,549</u>  | <u>4,441,627</u> | <u>-</u>             | <u>-</u>  |

#### 31 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group, which includes directors, is as follows:

|                        | 2022<br>£        | 2021<br>£        |
|------------------------|------------------|------------------|
| Aggregate compensation | <u>2,049,205</u> | <u>1,743,076</u> |

The group entered into transactions with companies under common control. The group made payments for rent of £932,351 (2021: £919,548) and purchases of £76,889 (2021: £1,041,886). At the balance sheet date, there was an amount included within other debtors of £3,071,762 (2021: £3,061,001), the remaining movement in the year related to advances.

Included within debtors is an amount of £54,910 (2021: £604,910) owed from close family members of the directors to the company. The movement of £550,000 (2021: £600,344) relates to repayments on behalf of close family members of the directors.

#### 32 Directors' transactions

Dividends totalling £2,453,333 (2021: £Nil) were paid in the year in respect of shares held by the company's directors.

During the year the directors repaid £450 (2021: £1,400). As a result, £150 (2021: £600) was included within debtors at the current year end.

#### 33 Controlling party

The ultimate controlling parties of the company are Mr L Cross and Mrs D Cross by virtue of their majority shareholding.