

Registered number: 07490275

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**TORSTONE TECHNOLOGY LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

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**TORSTONE TECHNOLOGY LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	B L Collings J M Gill A S Thethi J C Merry (resigned 31 May 2021)
<b>Registered number</b>	07490275
<b>Registered office</b>	8 Lloyd's Avenue London EC3N 3EL
<b>Independent auditor</b>	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP

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**TORSTONE TECHNOLOGY LIMITED**

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## TORSTONE TECHNOLOGY LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2022

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#### Introduction

Torstone Technology Limited is a global provider of cross-asset securities and derivatives post-trade processing and risk technology. The Company's SaaS Platform enables financial firms to reduce their costs, achieve greater control, minimise risk, and drive operational efficiency. Torstone is headquartered in London, with offices in New York, Toronto, Hong Kong, Singapore, and Tokyo.

#### Business review

This year saw a rapid recovery from Covid market conditions, with Company turnover growing by more than 24% compared with the previous year. The growth came from new deals around the world, as well as a significant global deal. Growth was also driven from high transaction volumes for existing clients given continued market volatility.

North America has great sales potential for the years ahead, particularly in Canada over the next year. The proportion of revenue from North America went from 30% of total revenue in 2020-21 to 42% of total revenue in 2021/22.

Management continues to focus on growth in all regions and have committed to invest in new hires and employee retention to best support its existing and new client contracts. Headcount grew by net 25 heads to 110 heads at the end of January 2022 with plans to grow by at least another 20 by mid-year, and to 150 heads by end of our financial year.

The company recorded a positive profit before tax of £0.6m in 2021-22.

The company balance sheet remains strong with cash balances increased to £10.7m in 2021-22 compared to £5.9m in 2020-21 due entirely to customer acquisitions. The financial position of the company remains strong at the end of the year and it continues to expand its customer base and its product roadmap.

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**TORSTONE TECHNOLOGY LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**Principal risks and uncertainties**

The management of the business and the execution of the company strategy are subject to several risks. The principal risks for the company are the market environment, competition, and execution of the hiring plan. The market environment in 2021/22 recovered from the economic impact and travel restrictions caused by COVID 19; and believe there are no major risks to our suppliers, clients or staff related to the current conflict in Ukraine that would impact the business.

The company can compete effectively by using its repository of deep industry knowledge and applying structured thinking to provide practical solutions and building a reputation in the industry for delivering on time and on budget. To retain and recruit the right employees the company monitors and provides compensation & benefits at market rates. Business risk for the company primarily arises from economic activity and the appetite for technology change, however we have seen an uptick in interest from the market globally, for example due to the expected T+1 regulatory changes in North America, which is reflected in our strong sales pipeline.

The company's operations expose it to a variety of financial and operational risks, which the company monitors in a regular Risk Committee, which all the directors are involved in. The policies set by the Risk Committee are implemented by the company's various departments and monitored regularly by the Risk Committee.

**Credit risk**

The company has implemented policies that require appropriate reviews and approval of material contracts that are entered into with new customers. The credit risk for the company is relatively low since a large percentage of the company's work is performed for customers that pay in advance.

**Cash flow and FX risk**

The company has revenue and expenses arising in multiple currencies in multiple locations. Management has not traditionally used hedging or other financial instruments to mitigate potential currency risk as overall there are natural hedges in place for most locations. For those one or two locations where we are actively seeking revenue this is not the case, however the expenses are relatively small and covered by remittance of central funds. The directors will revisit the appropriateness of this policy should the company's operations significantly change in size or nature.

**Financial key performance indicators**

The board consists of three directors. The board believe that the relevant KPIs are those set out in the monthly financial pack and are monitored on a regular basis by the board, including financial actuals against budget.

**Other key performance indicators**

The Management Committee consists of three directors and four senior managers. The Management Committee believe that the relevant KPIs are those set out in the monthly management report and are monitored on a monthly basis by the Management Committee.

This report was approved by the board on 12/07/2022 and signed on its behalf.



**B L Collings**  
Director

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## TORSTONE TECHNOLOGY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2022

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

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### Results and dividends

The profit for the year, after taxation, amounted to £771,745 (2021 - £891,050).

The directors do not recommended payment of a dividend (2020: £nil).

#### Directors

The directors who served during the year were:

B L Collings  
J M Gill  
A S Thethi  
J C Merry (resigned 31 May 2021)

#### Future developments

We continue to invest in all areas of the business, expanding our sales team in all regions, together with pre-sales, product management, implementation, development and support resources. Our Product Roadmap includes development on our Retail Brokerage strategy, as well as expanding our Middle Office product and extending our asset class coverage to include Digital Assets. Our Technical Roadmap includes continuing to develop our microservices and API strategy, which has enabled dynamic scaling required for Tier-1 and other high transaction volume clients.

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TORSTONE TECHNOLOGY LIMITED

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

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

**Post balance sheet events**

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

**Auditor**

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12/07/2022 and signed on its behalf.



B L Collings  
Director

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## TORSTONE TECHNOLOGY LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORSTONE TECHNOLOGY LIMITED

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#### Opinion

We have audited the financial statements of Torstone Technology Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### Conclusions relating to going concern

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.

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## TORSTONE TECHNOLOGY LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORSTONE TECHNOLOGY LIMITED (CONTINUED)

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#### 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.

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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**TORSTONE TECHNOLOGY LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORSTONE TECHNOLOGY LIMITED  
(CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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## TORSTONE TECHNOLOGY LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORSTONE TECHNOLOGY LIMITED (CONTINUED)

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#### 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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TORSTONE TECHNOLOGY LIMITED

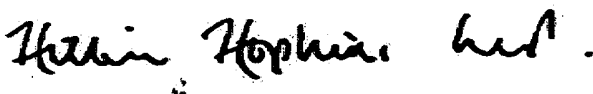
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORSTONE TECHNOLOGY LIMITED  
(CONTINUED)

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**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.



Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road Watford  
Herts  
WD17 1HP  
Date: 15 July 2022

TORSTONE TECHNOLOGY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2022**

	Note	2022 £	2021 £
Turnover	4	15,631,617	12,574,611
<b>Gross profit</b>		<b>15,631,617</b>	<b>12,574,611</b>
Administrative expenses		<b>(15,076,425)</b>	<b>(11,863,258)</b>
<b>Operating profit</b>	5	<b>555,192</b>	711,353
Interest receivable and similar income	9	475	1,466
Interest payable and similar expenses	10	-	(714)
<b>Profit before taxation</b>		<b>555,667</b>	712,105
Tax on profit	11	216,078	178,945
<b>Profit for the financial year</b>		<b>771,745</b>	<b>891,050</b>
<b>Total comprehensive income for the year</b>		<b>771,745</b>	<b>891,050</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		771,745	891,050
		<b>771,745</b>	<b>891,050</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		771,745	891,050
		<b>771,745</b>	<b>891,050</b>

The notes on pages 20 to 36 form part of these financial statements.

**TORSTONE TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 07490275**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JANUARY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	49,726	74,726
Tangible assets	13	175,466	228,855
		225,192	303,581
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	-	72,340
Debtors: amounts falling due within one year	15	5,328,434	3,863,236
Cash at bank and in hand	16	10,700,456	5,967,695
		16,028,890	9,903,271
Creditors: amounts falling due within one year	17	(11,092,226)	(5,063,407)
<b>Net current assets</b>		4,936,664	4,839,864
<b>Total assets less current liabilities</b>		5,161,856	5,143,445
Creditors: amounts falling due after more than one year	18	(794,093)	(1,459,197)
<b>Provisions for liabilities</b>			
<b>Net assets excluding pension asset</b>		4,367,763	3,684,248
<b>Net assets</b>		4,367,763	3,684,248
<b>Capital and reserves</b>			
Called up share capital	19	72,860	72,990
Share premium account	20	144,584	88,940
Capital redemption reserve	20	10,850	10,210
Profit and loss account	20	4,139,469	3,512,108
<b>Equity attributable to owners of the parent Company</b>		4,367,763	3,684,248
		4,367,763	3,684,248

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

**B L Collings**  
 Director



The notes on pages 20 to 36 form part of these financial statements.

**TORSTONE TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 07490275**

**COMPANY BALANCE SHEET**  
**AS AT 31 JANUARY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	174,484	228,107
Investments	14	321,186	321,186
		<u>495,670</u>	<u>549,293</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	-	72,340
Debtors: amounts falling due within one year	15	5,389,806	4,071,843
Cash at bank and in hand	16	10,588,737	5,784,611
		<u>15,978,543</u>	<u>9,928,794</u>
Creditors: amounts falling due within one year	17	(11,120,320)	(5,187,872)
<b>Net current assets</b>		<u>4,858,223</u>	<u>4,740,922</u>
<b>Total assets less current liabilities</b>		<u>5,353,893</u>	<u>5,290,215</u>
Creditors: amounts falling due after more than one year	18	(794,093)	(1,459,197)
<b>Net assets</b>		<u><u>4,559,800</u></u>	<u><u>3,831,018</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	72,860	72,990
Share premium account	20	144,584	88,940
Capital redemption reserve	20	10,850	10,210
Profit and loss account brought forward		3,658,878	2,882,491
Profit for the year		817,012	1,012,821
Other changes in the profit and loss account		(144,384)	(236,434)
Profit and loss account carried forward		<u>4,331,506</u>	<u>3,658,878</u>
		<u><u>4,559,800</u></u>	<u><u>3,831,018</u></u>

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TORSTONE TECHNOLOGY LIMITED  
REGISTERED NUMBER: 07490275

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COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 JANUARY 2022

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



**B L Collings**  
Director

The notes on pages 20 to 36 form part of these financial statements.

TORSTONE TECHNOLOGY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 February 2021	72,990	88,940	10,210	3,512,108	3,684,248
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	771,745	771,745
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	771,745	771,745
Purchase of own shares	-	-	640	(144,384)	(143,744)
Shares issued during the year	510	55,644	-	-	56,154
Shares cancelled during the year	(640)	-	-	-	(640)
<b>Total transactions with owners</b>	(130)	55,644	640	(144,384)	(88,230)
<b>At 31 January 2022</b>	<b>72,860</b>	<b>144,584</b>	<b>10,850</b>	<b>4,139,469</b>	<b>4,367,763</b>

The notes on pages 20 to 36 form part of these financial statements.

**TORSTONE TECHNOLOGY LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 February 2020	74,000	63,000	9,000	2,857,492	3,003,492
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	891,050	891,050
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	891,050	891,050
Purchase of own shares	-	-	1,210	(236,434)	(235,224)
Shares issued during the year	200	25,940	-	-	26,140
Shares cancelled during the year	(1,210)	-	-	-	(1,210)
<b>Total transactions with owners</b>	(1,010)	25,940	1,210	(236,434)	(210,294)
<b>At 31 January 2021</b>	<b>72,990</b>	<b>88,940</b>	<b>10,210</b>	<b>3,512,108</b>	<b>3,684,248</b>

The notes on pages 20 to 36 form part of these financial statements.

**TORSTONE TECHNOLOGY LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 February 2021	72,990	88,940	10,210	3,658,878	3,831,018
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	817,012	817,012
<b>Total comprehensive income for the year</b>	-	-	-	817,012	817,012
<b>Contributions by and distributions to owners</b>					
Purchase of own shares	-	-	640	(144,384)	(143,744)
Shares issued during the year	510	55,644	-	-	56,154
Shares cancelled during the year	(640)	-	-	-	(640)
<b>Total transactions with owners</b>	(130)	55,644	640	(144,384)	(88,230)
<b>At 31 January 2022</b>	<b>72,860</b>	<b>144,584</b>	<b>10,850</b>	<b>4,331,506</b>	<b>4,559,800</b>

The notes on pages 20 to 36 form part of these financial statements.

TORSTONE TECHNOLOGY LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2021**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 February 2020	74,000	63,000	9,000	2,882,491	3,028,491
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,012,821	1,012,821
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,821</u>	<u>1,012,821</u>
<b>Contributions by and distributions to owners</b>					
Purchase of own shares	-	-	1,210	(236,434)	(235,224)
Shares issued during the year	200	25,940	-	-	26,140
Shares cancelled during the year	(1,210)	-	-	-	(1,210)
<b>Total transactions with owners</b>	<u>(1,010)</u>	<u>25,940</u>	<u>1,210</u>	<u>(236,434)</u>	<u>(210,294)</u>
<b>At 31 January 2021</b>	<u><u>72,990</u></u>	<u><u>88,940</u></u>	<u><u>10,210</u></u>	<u><u>3,658,878</u></u>	<u><u>3,831,018</u></u>

The notes on pages 20 to 36 form part of these financial statements.

**TORSTONE TECHNOLOGY LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	771,745	891,050
<b>Adjustments for:</b>		
Amortisation of intangible assets	25,000	25,000
Depreciation of tangible assets	155,989	155,992
Loss on disposal of tangible assets	-	6,475
Interest paid	-	714
Interest received	(475)	(1,466)
Taxation charge	(216,078)	(178,945)
(Increase)/decrease in debtors	(1,630,999)	2,311,619
Increase in creditors	5,363,715	841,706
Corporation tax received	454,566	51,598
<b>Net cash generated from operating activities</b>	<b>4,923,463</b>	<b>4,103,743</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(102,947)	(96,446)
Interest received	475	1,466
<b>Net cash from investing activities</b>	<b>(102,472)</b>	<b>(94,980)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	56,154	26,140
Purchase of ordinary shares	(144,384)	(236,434)
Interest paid	-	(714)
<b>Net cash used in financing activities</b>	<b>(88,230)</b>	<b>(211,008)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,732,761</b>	<b>3,797,755</b>
Cash and cash equivalents at beginning of year	5,967,695	2,169,940
<b>Cash and cash equivalents at the end of year</b>	<b>10,700,456</b>	<b>5,967,695</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	10,700,456	5,967,695
	<b>10,700,456</b>	<b>5,967,695</b>

The notes on pages 20 to 36 form part of these financial statements.

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**TORSTONE TECHNOLOGY LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 JANUARY 2022**

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	At 1 February 2021 £	Cash flows £	At 31 January 2022 £
Cash at bank and in hand	5,967,695	4,732,761	10,700,456
	<u>5,967,695</u>	<u>4,732,761</u>	<u>10,700,456</u>

The notes on pages 20 to 36 form part of these financial statements.

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## TORSTONE TECHNOLOGY LIMITED

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

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#### 1. General information

Torstone Technology Limited is a company incorporated in England and Wales. Its registered office address is the same as its principal place of business:  
8 Lloyd's Avenue, London, England, EC3N 3EL.

Torstone Technology provides securities and derivatives post-trade processing software to the global financial markets. Its software product is called Inferno and is designed to support high volumes of straight through processing for settlement of a wide range of asset classes from complex derivatives to high volume equity processing.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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## TORSTONE TECHNOLOGY LIMITED

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

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## 2. Accounting policies (continued)

### 2.3 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Software implementation revenue is recognised as the work is completed. At the year end, ongoing implementation project revenue is recognised by estimating the percentage stage of completion with reference to costs incurred to date.

Licensing revenue is recognised over the period to which the license applies. Licensing revenue may be accrued to match to costs relating to implementation revenue where the related implementation costs exceed the related implementation revenue.

Support revenue is recognised evenly over the period of the contract taking into consideration any special variations in support effort.

One off payments not associated with specific development or implementation work and where there are no future obligations are recognised as revenue immediately.

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## TORSTONE TECHNOLOGY LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.7 Finance costs

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

##### 2.8 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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**TORSTONE TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**2. Accounting policies (continued)**

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

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

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
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**2.11 Tangible fixed assets**

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

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## TORSTONE TECHNOLOGY LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Computer hardware - personal computing	-	33%	straight line
Computer hardware - server & networking	-	20%	straight line
Office equipment	-	33%	straight line
Computer software	-	33%	straight line
Office furniture	-	20%	straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

##### 2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.15 Creditors

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

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**TORSTONE TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**2. Accounting policies (continued)**

**2.16 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements & estimates have had the most significant effect on amounts recognised in the financial statements:

Carrying value of investments - Management have considered if there are any indicators of impairment of the Company's investments at the reporting date. Where such indicators are identified, an impairment review is undertaken to ensure that the carrying value of the investments reflects, as a minimum, the value to be realised from the investment in the foreseeable future.

Trade debtors - The recoverability of trade debtors has been assessed at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgment of all the available information, and their experience of the specific nature of the trade debtor in question.

Depreciation and residual values - The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Software implementation	7,605,588	4,840,216
Licensing & support	8,026,029	7,734,395
	<u>15,631,617</u>	<u>12,574,611</u>

All turnover arose within the United Kingdom.

**TORSTONE TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

**5. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	105,366	(180,939)
Other operating lease rentals	612,379	646,740
	612,379	646,740

**6. Auditor's remuneration**

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	17,000	16,450
	17,000	16,450

**Fees payable to the Group's auditor and its associates in respect of:**

Taxation compliance services	4,400	4,250
All other assurance services	2,200	2,100
All other services	9,263	9,497
	15,863	15,847

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	7,659,639	6,843,578	7,017,017	6,547,628
Social security costs	646,416	536,178	646,416	536,178
Cost of defined contribution scheme	446,111	419,058	446,111	419,058
	8,752,166	7,798,814	8,109,544	7,502,864

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

	2022 No.	2021 No.
Employees	95	70
	95	70

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**TORSTONE TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**8. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	602,417	713,360
Group contributions to defined contribution pension schemes	56,467	60,228
	<u>658,884</u>	<u>773,588</u>

During the year retirement benefits were accruing to 3 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £266,414 (2021 - £278,935).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £22,500 (2021 - £22,500).

**9. Interest receivable**

	2022 £	2021 £
Other interest receivable	475	1,466
	<u>475</u>	<u>1,466</u>

**10. Interest payable and similar expenses**

	2022 £	2021 £
Other interest payable	-	714
	<u>-</u>	<u>714</u>

TORSTONE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022

11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	(203,499)	(184,019)
	(203,499)	(184,019)
<b>Foreign tax</b>		
Foreign tax on income for the year	(12,579)	5,074
	(12,579)	5,074
<b>Total current tax</b>	<b>(216,078)</b>	<b>(178,945)</b>
<b>Taxation on profit on ordinary activities</b>	<b>(216,078)</b>	<b>(178,945)</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	555,667	712,105
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	105,577	135,300
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	-	4,750
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	155,206	3,049
Capital allowances for year in excess of depreciation	5,783	12,420
Utilisation of tax losses	-	(88,316)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(472,137)	(270,794)
Other differences leading to an increase (decrease) in the tax charge	(10,507)	24,646
<b>Total tax charge for the year</b>	<b>(216,078)</b>	<b>(178,945)</b>

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**TORSTONE TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**11. Taxation (continued)**

**Factors that may affect future tax charges**

Legislation will be introduced in Finance Bill 2021 to set the charge to Corporation Tax and set the main rate of Corporation Tax for all non-ring fence profits to 19% for Financial Year 2022 and to set the charge to Corporation Tax and set the main rate at 25% for Financial Year 2023. Legislation will also introduce a small profits rate and will set this at 19%.

The small profits rate will apply to profits below the lower limit of £50,000 and profits exceeding the upper limit of £250,000 will be charged at the main rate. The thresholds that apply for determining whether a company is chargeable at the small ring fence profits rate at s279E Corporation Tax Act 2010 will be aligned with these limits.

**12. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 February 2021	929,956
At 31 January 2022	<u>929,956</u>
<b>Amortisation</b>	
At 1 February 2021	855,230
Charge for the year on owned assets	25,000
At 31 January 2022	<u>880,230</u>
<b>Net book value</b>	
At 31 January 2022	<u>49,726</u>
At 31 January 2021	<u>74,726</u>

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TORSTONE TECHNOLOGY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022

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12. Intangible assets (continued)

Company

	Goodwill £
<b>Cost</b>	
At 1 February 2021	805,230
At 31 January 2022	<u>805,230</u>
<b>Amortisation</b>	
At 1 February 2021	805,230
At 31 January 2022	<u>805,230</u>
<b>Net book value</b>	
At 31 January 2022	<u>-</u>
At 31 January 2021	<u>-</u>

**TORSTONE TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

**13. Tangible fixed assets**

**Group**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 February 2021	229,307	17,537	602,035	848,879
Additions	5,631	-	97,316	102,947
At 31 January 2022	<u>234,938</u>	<u>17,537</u>	<u>699,351</u>	<u>951,826</u>
<b>Depreciation</b>				
At 1 February 2021	161,105	16,617	442,302	620,024
Charge for the year on owned assets	54,466	654	101,216	156,336
At 31 January 2022	<u>215,571</u>	<u>17,271</u>	<u>543,518</u>	<u>776,360</u>
<b>Net book value</b>				
At 31 January 2022	<u>19,367</u>	<u>266</u>	<u>155,833</u>	<u>175,466</u>
At 31 January 2021	<u>68,202</u>	<u>920</u>	<u>159,733</u>	<u>228,855</u>

TORSTONE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022

13. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 February 2021	229,307	17,537	592,417	839,261
Additions	5,631	-	96,756	102,387
At 31 January 2022	<u>234,938</u>	<u>17,537</u>	<u>689,173</u>	<u>941,648</u>
<b>Depreciation</b>				
At 1 February 2021	161,105	16,617	433,432	611,154
Charge for the year on owned assets	54,466	654	100,890	156,010
At 31 January 2022	<u>215,571</u>	<u>17,271</u>	<u>534,322</u>	<u>767,164</u>
<b>Net book value</b>				
At 31 January 2022	<u>19,367</u>	<u>266</u>	<u>154,851</u>	<u>174,484</u>
At 31 January 2021	<u>68,202</u>	<u>920</u>	<u>158,985</u>	<u>228,107</u>

14. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 February 2021	321,186
At 31 January 2022	<u>321,186</u>

**TORSTONE TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

**14. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Percentile Limited	Ordinary	100%
Torstone Technology (Canada) Incorporated	Ordinary	100%

The aggregate of the share capital and reserves as at 31 January 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Percentile Limited	198,646	42
Torstone Technology (Canada) Incorporated	(112,185)	(25,945)

**15. Debtors**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due after more than one year</b>				
Other debtors	-	72,340	-	72,340
	-	72,340	-	72,340
<b>Due within one year</b>				
Trade debtors	3,176,152	1,478,265	3,176,152	1,478,265
Amounts owed by group undertakings	-	-	129,404	235,440
Other debtors	295,547	217,634	227,515	190,802
Prepayments and accrued income	1,635,008	1,714,574	1,635,008	1,714,573
Tax recoverable	221,727	452,763	221,727	452,763
	<b>5,328,434</b>	<b>3,863,236</b>	<b>5,389,806</b>	<b>4,071,843</b>

**TORSTONE TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

**16. Cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Cash at bank and in hand	10,700,456	5,967,695	10,588,737	5,784,611
	<u>10,700,456</u>	<u>5,967,695</u>	<u>10,588,737</u>	<u>5,784,611</u>

**17. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Trade creditors	252,601	153,940	177,013	133,991
Amounts owed to group undertakings	-	-	190,754	170,754
Other taxation and social security	150,488	127,403	150,488	127,403
Other creditors	290,119	182,701	290,119	182,701
Accruals and deferred income	10,399,018	4,599,363	10,311,946	4,573,023
	<u>11,092,226</u>	<u>5,063,407</u>	<u>11,120,320</u>	<u>5,187,872</u>

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Accruals and deferred income	794,093	1,459,197	794,093	1,459,197
	<u>794,093</u>	<u>1,459,197</u>	<u>794,093</u>	<u>1,459,197</u>

**19. Share capital**

	<b>2022 £</b>	<i>2021 £</i>
<b>Allotted, called up and fully paid</b>		
728,595 (2021 - 729,900) Ordinary shares of £0.10 each	72,860	72,990
	<u>72,860</u>	<u>72,990</u>

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**TORSTONE TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**20. Reserves**

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

**Capital redemption reserve**

The capital redemption reserve arises from the purchase of own share capital.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**21. Share based payments**

The Company has issued 31,381 (2021: 34,755) share options to employees which have vested but not been exercised in the year. The Company has issued share options for 2,444 (2021: 6,042) ordinary shares of £0.10 to employees which have not yet vested as at year end.

	<b>Weighted average exercise price (pence) 2022</b>	<b>Number 2022</b>	<i>Weighted average exercise price (pence) 2021</i>	<i>Number 2021</i>
Outstanding at the beginning of the year	1065	40,797	1035	42,285
Granted during the year	2256	888	1954	2,512
Exercised during the year	1102	(5,095)	1307	(2,000)
Expired during the year	1307	(2,765)	1307	(2,000)
<b>Outstanding at the end of the year</b>	<b>1071</b>	<b>33,825</b>	<b>1065</b>	<b>40,797</b>

**22. Pension commitments**

The company operates a defined contributions pension scheme for UK employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

In addition, employees based at the branches in Hong Kong and the USA are members of local defined contributions pension schemes, the assets of which are separate to the company and held in independently administered funds.

The total pension cost charge represents contributions payable by the company to the funds and amounts to £446,111 (2021: £419,058). As at the balance sheet £41.650 (2021: £34,560) was included in other creditors owed to defined contribution pension schemes.

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**TORSTONE TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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**23. Commitments under operating leases**

At 31 January 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Not later than 1 year	<b>249,080</b>	430,908	<b>249,080</b>	430,908
Later than 1 year and not later than 5 years	-	64,465	-	64,465
	<u><b>249,080</b></u>	<u>495,373</u>	<u><b>249,080</b></u>	<u>495,373</u>

**24. Related party transactions**

As permitted by FRS 102 related party transactions with wholly owned member of the group have not been disclosed.

**25. Controlling party**

In the opinion of the directors there is no ultimate controlling party.