

Company Registration number: 04307378

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
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TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
COMPANY INFORMATION

Director	G S B Nagaraj
Registered office	12 The Courtyard Woodlands Bradley Stoke Bristol BS32 4NQ
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The director presents the strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the company is software development.

Fair review of the business

Like all businesses in the past year, Torry Harris has endured the challenges presented by the Covid-19 crisis and the on going impact of the UK and European economy. The business adapted quickly by adopting large-scale remote working for all staff, and business was able to continue largely as normal.

Turnover in the year under review was £29.6 million compared to £24.2 million in the previous period ended 31 March 2021. Turnover reflected the continued demand for the company's services. Gross margins have changed to 7.8% compared with the prior year at 8.65%, reflecting market conditions during the financial period. Turnover and gross margin represent the company's key performance indicators. Monitoring and maintaining margins in a challenging high inflationary market will be an area of key focus for the company during the coming year.

Principal risks and uncertainties

The key business risks affecting the company are considered to relate to the economic environment, technology obsolescence and the competitive environment.

Specifically, in the coming year the key business risks will still be about the COVID-19 pandemic and the impact on the economic environment. The business continues to recognise that the COVID-19 pandemic is still an evolving situation and that the company must remain agile in managing this risk, regardless of the success of the Vaccination programme. The new Brexit deal and the pandemic both present an opportunity for the company, for example, scalable digital business models, reinventing commerce, enabling and accelerating digital collaboration.

Economic Environment: The UK's economy is one of the hardest hit by the pandemic. The UK will need to invest heavily in digital infrastructure and drive through reforms to raise productivity if it is to repair long-term economic damage left by the COVID-19 crisis and the effects of Brexit. The overall demand for services, software and systems continues to remain strong. The company is well placed to respond to market conditions by having a mixture of offerings with long term contractual income streams as well as short term sales.


Competitive environment: The company operates in a highly competitive market against many established providers as well as new providers entering UK market. The company continues to transform itself to remain competitive in the market and we promote our ability to innovate and integrate for our clients. The directors consider this to be a unique proposition which sets the company apart from its competition.

Future developments

It is the intention of the director to continue to grow the current operations of the business by pursuing new customer relationships and working closely with existing customers whilst seeking to manage costs in current high inflationary market.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Approved by the Board on 11/11/2022 and signed on its behalf by:


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G S B Nagaraj
Director

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

The director presents the report and the financial statements for the year ended 31 March 2022.

Director of the company

The director who held office during the year was as follows:

G S B Nagaraj

Financial instruments

Objectives and policies

The company's principal financial instruments comprise of bank balances, trade creditors, trade debtors and group company loans. The main purpose of these instruments is to raise funds and to finance the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the company, there is no exposure to price risk.

In respect of bank balances the liquidity risk is managed by maintaining a balance between funds held in different currencies.

Trade debtors are managed by policies concerning the credit offered to customers and regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Future Developments

The future developments of the business are included within the strategic report.

Disclosure of information to the auditors

The director has taken steps that ought to have taken as a director in order to make aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that of and of which the auditors are unaware.

Reappointment of auditors

The auditors Albert Goodman LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11/11/2022 and signed on its behalf by:



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G S B Nagaraj
Director

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORRY HARRIS BUSINESS
SOLUTIONS (EUROPE) LTD

Opinion

We have audited the financial statements of Torry Harris Business Solutions (Europe) Ltd (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORRY HARRIS BUSINESS
SOLUTIONS (EUROPE) LTD

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

Matters on which we are required to report by exception

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

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

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORRY HARRIS BUSINESS
SOLUTIONS (EUROPE) LTD

Auditor 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.

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 extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORRY HARRIS BUSINESS
SOLUTIONS (EUROPE) LTD

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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.

Albert Goodman LLP

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Christopher Walford ACA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: *11/11/22*

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	3	29,644,790	24,170,899
Cost of sales		<u>(27,357,632)</u>	<u>(22,080,520)</u>
Gross profit		2,287,158	2,090,379
Administrative expenses		<u>(804,919)</u>	<u>(865,763)</u>
Operating profit	4	1,482,239	1,224,616
Interest payable and similar charges	5	<u>(7,335)</u>	-
Profit before tax		1,474,904	1,224,616
Taxation	9	<u>(273,843)</u>	<u>(248,760)</u>
Profit for the financial year		<u>1,201,061</u>	<u>975,856</u>

The above results were derived from continuing operations.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Profit for the year	<u>1,201,061</u>	<u>975,856</u>
Total comprehensive income for the year	<u><u>1,201,061</u></u>	<u><u>975,856</u></u>


TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD

(REGISTRATION NUMBER: 04307378)

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	11,917	2,552
Investment property	11	355,157	355,157
Investments	12	-	1
		<u>367,074</u>	<u>357,710</u>
Current assets			
Debtors	13	10,928,096	8,562,346
Cash at bank and in hand		<u>2,960,554</u>	<u>4,607,518</u>
		13,888,650	13,169,864
Creditors: Amounts falling due within one year	15	<u>(4,663,728)</u>	<u>(5,006,497)</u>
Net current assets		<u>9,224,922</u>	<u>8,163,367</u>
Total assets less current liabilities		9,591,996	8,521,077
Creditors: Amounts falling due after more than one year	15	-	(130,142)
Provisions for liabilities	16	<u>(485)</u>	<u>(485)</u>
Net assets		<u>9,591,511</u>	<u>8,390,450</u>
Capital and reserves			
Called up share capital		1	1
Retained earnings		<u>9,591,510</u>	<u>8,390,449</u>
Shareholders' funds		<u>9,591,511</u>	<u>8,390,450</u>

Approved and authorised by the director on 11/11/2022



 G S B Nagaraj
 Director

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Ordinary share capital	Profit and loss reserve	Total
	£	£	£
At 1 April 2021	<u>1</u>	<u>8,390,449</u>	<u>8,390,450</u>
Movement in year:			
Profit for the year	<u>-</u>	<u>1,201,061</u>	<u>1,201,061</u>
Total comprehensive income	<u>-</u>	<u>1,201,061</u>	<u>1,201,061</u>
At 31 March 2022	<u><u>1</u></u>	<u><u>9,591,510</u></u>	<u><u>9,591,511</u></u>
	Ordinary share capital	Profit and loss reserve	Total
	£	£	£
At 1 April 2020	<u>1</u>	<u>7,414,593</u>	<u>7,414,594</u>
Movement in year:			
Profit for the year	<u>-</u>	<u>975,856</u>	<u>975,856</u>
Total comprehensive income	<u>-</u>	<u>975,856</u>	<u>975,856</u>
At 31 March 2021	<u><u>1</u></u>	<u><u>8,390,449</u></u>	<u><u>8,390,450</u></u>

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		1,201,061	975,856
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	4,062	458
Loss on disposal of tangible assets		9	-
Loss from disposals of investments		1	-
Finance costs	5	7,335	-
Income tax expense	9	273,843	248,760
		<u>1,486,311</u>	<u>1,225,074</u>
Working capital adjustments			
(Increase)/decrease in trade and other debtors	13	(2,365,750)	1,381,464
(Decrease)/increase in trade and other creditors	15	(364,176)	522,975
Cash generated from operations		(1,243,615)	3,129,513
Income taxes paid	9	(238,519)	(122,943)
Net cash flow from operating activities		<u>(1,482,134)</u>	<u>3,006,570</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(14,208)	(3,010)
Proceeds from sale of tangible assets		772	-
Net cash flows from investing activities		<u>(13,436)</u>	<u>(3,010)</u>
Cash flows from financing activities			
Interest paid	5	(7,335)	-
Repayment of bank borrowing		(144,059)	(13,767)
Net cash flows from financing activities		<u>(151,394)</u>	<u>(13,767)</u>
Net (decrease)/increase in cash and cash equivalents		(1,646,964)	2,989,793
Cash and cash equivalents at 1 April 2021		<u>4,607,518</u>	<u>1,617,725</u>
Cash and cash equivalents at 31 March 2022	14	<u>2,960,554</u>	<u>4,607,518</u>

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

12 The Courtyard
Woodlands
Bradley Stoke
Bristol
BS32 4NQ
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling (£).

Exemption from preparing consolidated financial statements

The company has taken the exemption under FRS102 and not prepared consolidated accounts on the basis that the company's investment has been dormant and wholly immaterial to the company.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Judgements

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

-Determine whether milestones have been met on contracts and, therefore whether the revenue should be recognised. Significant factors that impact the decision include the terms and nature of the contract and the judgement of the contract manager.

-Management review trade debtors for evidence of impairment. They consider the credit worthiness of the counterparty, any disputes and the period of time it is likely to take to recover the balance in making this assessment.

-The most critical estimates and assumptions for investment properties relate to the determination of carrying value, derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. These factors require judgement and estimate.

-Determine whether the leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee.

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met, this being a specific milestone within an agreed contract.

Should the company have incurred costs with an appropriate entitlement to income but not invoiced, the income is accrued at the year end.

Should income have been invoiced at the year end but the service not complete an appropriate adjustment is made to defer the income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially translated into the functional currency using the monthly average exchange rate for the month that the transaction falls in. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

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

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	over three years, straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Assets held under hire purchase agreements are capitalised as tangible fixed assets with the future obligation being recognised as a liability. Finance costs are recognised in the Profit and Loss Account calculated at a constant periodic rate of interest over the term of the liability.

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period profits and losses.

Defined contribution pension obligation

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

The contributions are recognised as an expense in the profit and loss account 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 company in independently administered funds.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Financial instruments

The company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities and their measurement basis are as follows:

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, bank loans, accrued expenses, amounts owed to group undertakings and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and corporation tax creditors are not included in the financial instruments disclosure definition.

TORRY HARRIS BUSINESS SOLUTIONS (EUROPE) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover

The analysis of the company's turnover for the year by market is as follows:

	2022	2021
	£	£
Sales, UK	25,518,780	19,807,492
Sales, Europe	4,126,010	4,363,407
	<u>29,644,790</u>	<u>24,170,899</u>

4 Operating profit

Arrived at after charging/(crediting):

	2022	2021
	£	£
Depreciation expense	4,062	458
Foreign exchange (gains)/losses	(13,894)	54,454
Loss on disposal of tangible fixed assets	9	-
	<u>9</u>	<u>-</u>

5 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	7,335	-
	<u>7,335</u>	<u>-</u>

6 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	4,684,859	6,098,315
Social security costs	527,952	678,792
Pension costs, defined contribution scheme	76,169	43,490
Other employee expense	23,498	23,419
	<u>5,312,478</u>	<u>6,844,016</u>

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	3	6
Sales and service	78	95
	<u>81</u>	<u>101</u>

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7 Director's remuneration

The director's remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	87,377	84,000
Contributions paid to money purchase schemes	1,321	-
	<u>88,698</u>	<u>84,000</u>

8 Auditors' remuneration

	2022	2021
	£	£
Audit of the financial statements	<u>17,500</u>	<u>36,250</u>

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9 Taxation

Tax charged/(credited) in the profit and loss account:

	2022	2021
	£	£
Current taxation		
UK corporation tax	278,692	230,913
UK corporation tax adjustment to prior periods	<u>(21,378)</u>	<u>-</u>
	257,314	230,913
Foreign tax	<u>16,529</u>	<u>16,071</u>
Total current income tax	273,843	246,984
Deferred taxation		
Arising from origination and reversal of timing differences	<u>-</u>	<u>1,776</u>
Tax expense in the profit and loss account	<u><u>273,843</u></u>	<u><u>248,760</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	<u>1,474,904</u>	<u>1,224,616</u>
Corporation tax at standard rate	280,232	232,677
Effect of expense not deductible in determining taxable profit (tax loss)	1,043	13
Effect of foreign tax rates	16,529	16,071
Decrease in UK and foreign current tax from adjustment for prior periods	(21,378)	-
Tax decrease from other short-term timing differences	<u>(2,583)</u>	<u>(1)</u>
Total tax charge	<u><u>273,843</u></u>	<u><u>248,760</u></u>

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10 Tangible assets

	Office equipment £	Total £
Cost or valuation		
At 1 April 2021	118,375	118,375
Additions	14,208	14,208
Disposals	(781)	(781)
At 31 March 2022	<u>131,802</u>	<u>131,802</u>
Depreciation		
At 1 April 2021	115,823	115,823
Charge for the year	4,062	4,062
At 31 March 2022	<u>119,885</u>	<u>119,885</u>
Carrying amount		
At 31 March 2022	<u>11,917</u>	<u>11,917</u>
At 31 March 2021	<u>2,552</u>	<u>2,552</u>

11 Investment properties

	2022
	£
At 1 April 2021 and March 2022	<u>355,157</u>

There has been no valuation of investment property by an independent valuer. However, the director has considered the value by reference to other similar properties and has concluded that the property's carrying value is materially consistent with its fair value at the year end.

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12 Investments

	2022 £	2021 £
Investments in subsidiaries	<u>-</u>	<u>1</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2021		1
Disposals		<u>(1)</u>
At 31 March 2022		<u>-</u>
Carrying amount		
At 31 March 2022		<u>-</u>
At 31 March 2021		<u>1</u>

Torry Harris Properties Limited, previously a wholly owned dormant subsidiary was dissolved on 13 July 2021.

13 Debtors

	2022 £	2021 £
Trade debtors	10,625,681	7,552,771
Amounts owed by group undertakings	-	654,862
Other debtors	18,869	48,235
Prepayments	39,933	26,588
Accrued income	<u>243,613</u>	<u>279,890</u>
Total current trade and other debtors	<u>10,928,096</u>	<u>8,562,346</u>

14 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	150	221
Cash at bank	<u>2,960,404</u>	<u>4,607,297</u>
	<u>2,960,554</u>	<u>4,607,518</u>

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15 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	17	-	13,917
Trade creditors		124,248	16,714
Amounts owed to group undertakings		2,264,229	3,368,807
Social security and other taxes		1,047,663	622,546
Outstanding defined contribution pension costs		9,140	-
Other creditors		176,529	100,970
Accrued expenses		882,554	759,502
Corporation tax	9	159,365	124,041
		<u>4,663,728</u>	<u>5,006,497</u>
Due after one year			
Loans and borrowings	17	-	130,142

16 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2021	<u>485</u>	<u>485</u>
At 31 March 2022	<u>485</u>	<u>485</u>

Deferred tax

Deferred tax assets and liabilities:

	Asset £	Liability £
2022		
Accelerated capital allowances	-	485
	<u>-</u>	<u>485</u>
	<u>-</u>	<u>485</u>
2021		
Accelerated capital allowances	-	485
	<u>-</u>	<u>485</u>
	<u>-</u>	<u>485</u>

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17 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Other borrowings	-	13,917

	2022 £	2021 £
Non-current loans and borrowings		
Other borrowings	-	130,142

Loans and borrowings due in greater than five years

Included in the loans and borrowings are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	-	74,475

Loan interest is charged at 2.5% per annum above base rate and is secured against the company's investment property at 83A, Cooks Close, Bradley Stoke, Bristol, BS32 0BB. The bank loan was repaid during the current financial year.

18 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary Shares of £1 each	1	1	1	1

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	27,774	16,973
Later than one year and not later than five years	10,415	24,045
	<u>38,189</u>	<u>41,018</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £28,082 (2021 - £34,363).

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20 Analysis of changes in net debt

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash and cash equivalents			
Cash	4,607,518	(1,646,964)	2,960,554
Borrowings			
Long term borrowings	(130,142)	130,142	-
Short term borrowings	<u>(13,917)</u>	<u>13,917</u>	<u>-</u>
	<u>(144,059)</u>	<u>144,059</u>	<u>-</u>
	<u>4,463,459</u>	<u>(1,502,905)</u>	<u>2,960,554</u>

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £76,169 (2021 - £43,490).

Contributions totalling £9,140 (2021 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

22 Related party transactions

The company has taken advantage of the exemption not to disclose transactions with the immediate parent company on the grounds that it is 100% owned.

Key management personnel

The only key management personnel is the director. The compensation paid to the director is the amount shown in note 7, Director's Remuneration.

23 Parent and ultimate parent undertaking

No consolidated group accounts are prepared which include the results of the company.

The company's immediate parent is Torry Harris Business Solutions (Pvt) Limited, incorporated in India.

The ultimate parent is Torry Harris Business Solutions Inc, incorporated in United States of America.