

Turquoise Global Holdings Limited
Report and Financial Statements
For the year ended 31 December 2022



Company Registration Number: 07102717

TURQUOISE GLOBAL HOLDINGS LIMITED

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TURQUOISE GLOBAL HOLDINGS LIMITED

DIRECTORS AND OFFICERS

DIRECTORS AND OFFICERS

R Leighton
D Jenkins
M Roos
B Coward-Talbott
D Mehra

COMPANY SECRETARY

C O'Hanlon

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

INDEPENDENT AUDITORS

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

BANKERS

HSBC Bank plc
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

Wells Fargo
420 Montgomery Street
San Francisco
CA 94104
United States

HSBC France, Amsterdam Branch
De Entrée 236
1101 EE Amsterdam
The Netherlands

TURQUOISE GLOBAL HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

Turquoise operates two Multilateral Trading Facilities ("MTF"); Turquoise Global Holdings Limited ("TGHL" or "Turquoise") regulated by the Financial Conduct Authority ("FCA"), and Turquoise Global Holdings Europe B.V. ("TGHE" or "Turquoise Europe") regulated by the Autoriteit Financiële Markten ("AFM") and De Nederlandsche Bank ("DNB"). Turquoise is majority owned by London Stock Exchange Group in partnership with the user community. With a single connection, members can trade shares, depository receipts, ETFs, and European Rights Issues of 19 European countries with an Open Access model (supporting interoperability and preferred clearing models) that allows members to choose among 4 CCPs to clear these trades. Members include banks, brokers, specialist trading firms and retail intermediaries.

Initially founded by a consortium of nine investment banks, the Ultimate Parent, London Stock Exchange Group Plc ("LSEG") now indirectly owns 84.17% of the Company through its subsidiary, London Stock Exchange Group Holdings (R) Limited. In addition to LSEG, its shareholders currently include four of the leading investment banks. London Stock Exchange Group Holdings (R) Limited acquired the shareholdings of 8 of the former shareholder banks during 2022. Turquoise Global Holdings Group ("the TGHL Group") was established to engender greater competition in the secondary trading of European equities, and offers a combination of innovative services, technology and competitive pricing.

Turquoise offers a number of discrete order books available on both Turquoise and Turquoise Europe. Turquoise Lit™ Order Book combines simple limit and iceberg orders with Large in Scale hidden orders and is fully compliant with pre-trade and post-trade transparency obligations.

Turquoise Plato Lit Auctions™ Order Book is an innovation of price forming auctions, operating frequently and with pre-trade transparency throughout the trading day, supporting simple limit and PBBO midpoint pegged orders. The Turquoise Plato™ Order Book, prioritizes orders by size and allows users to configure Minimum Execution Size; it features two distinct mechanisms, each executing at the midpoint of the Primary Market Best Bid and Offer: continuous matching and Turquoise Plato Uncross™, an innovation that provides randomised midpoint uncrossing during the trading day, ideal for larger and less time sensitive passive orders. Turquoise Plato Block Discovery™ facilitates the trading of larger block Orders by matching undisclosed Block Indications. On identifying potential matches, the service will require participants to send firm qualifying block orders to Turquoise Plato Uncross™, maximising available liquidity for customers of both services. Turquoise Plato Dark Lit Sweep™ is an order that interacts firstly with the Turquoise Plato™ order book at the primary midpoint price and then continues to interact with any balance resting in Turquoise Lit™ order book. Turquoise Plato Trade At Last™ uses the same Turquoise Plato™ and Turquoise Plato Block Discovery™ functionality that currently provides award winning mid-point dark block liquidity during continuous trading, and simply references the close price instead.

The Company's trading platform is hosted in the datacentre of the LSEG and has interface common to other markets of LSEG, ensuring that customers accessing other LSEG markets can enjoy access to the Company with little incremental cost or effort.

This report shows the Company and TGHL Group results for year to 31 December 2022, with the comparatives for the year ended 31 December 2021.

The TGHL Group recognised a gross profit of £ 22.5m for the year ended 31 December 2022 (£ 24.8m for the year ended 31 December 2021) and its net assets were £ 47.3m as at 31 December 2022 (31 December 2021: £ 46.0m). Profit on ordinary activities after taxation was £ 0.8m (£ 7.5m for the year ended 31 December 2021).

Total value traded reduced in the year at €554 billion (31 December 2021: €617 billion). Turquoise Lit™ activity of €283 billion decreased by 13% (31 December 2021: €327 billion) as Lit flow came under significant competitive pressure. In September 2022, management implemented incentives in the Lit book to improve liquidity which had a positive impact on trading volumes. Turquoise Plato™, Europe's largest broker neutral dark pool, had another strong year but with values traded down 11.5% to €260 billion (31 December 2021: €290 billion). Turquoise Plato Lit Auctions™, our frequent batch auctions order book, continued to perform well with value traded flat at €10.4 billion (31 December 2021: €10.4 billion).

FUTURE DEVELOPMENTS

TGHL Group management and operations were streamlined at the end of 2022, with Adam Wood replacing Dr Robert Barnes as the CEO of TGHL. Going forward TGHL Group will continue to seek to increase revenues principally through adding new customers for existing services, adding new instruments, through the introduction of new or enhanced trading services. Further as partners, Plato Partnership and Turquoise will look to develop increased efficiencies for the electronic execution of anonymous block trades and other efficiencies in European equities in response to growing demand from market participants, particularly buy-side firms.

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SECTION 172 (1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this Section 172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our community and the environment, our workforce, our customers, our suppliers, our shareholders and our relationship with regulators. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. We review financial and operational performance, customer-related matters and legal and regulatory compliance at every Board meeting. We also review other areas over the course of the financial year including, the Company's business strategy; key risks (including those relating to the Company's regulated Dutch subsidiary, to the post Brexit trading and regulatory landscape, and cyber), the Company's risk appetite, operational resilience and workforce matters (including diversity). This is carried out through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board and responses to questions from Directors.

The Company's key stakeholders are its customers, regulators and its workforce. Our suppliers and shareholders are also important stakeholders of the Company. The views of stakeholders, and the impact of the Company's activities on those stakeholders, are an important consideration for the directors when making relevant decisions. The Board recognises that building strong relationships with our stakeholders will help to deliver the Company's strategy in line with our long-term values and operate the business in a sustainable way. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the LSEG Group (*Group/LSEG*) means that sometimes our stakeholder engagement will take place at an operational or Group level. For details on some of the engagement that takes place with the Company's stakeholders at a Group level please refer to the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement. As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote the success of the Company. The information received by the Board included updates on: (i) operational resilience and technology, ii) the post Brexit trading and regulatory landscape, and iii) the Plato Partnership.

We set out below some examples of how we have had regard to the matters set out in Section 172(1)(a)-(f) when discharging our Section 172 duty and the effect of that on certain decisions taken by us.

1. Annual review of budget and business plan

The Board carries out a review of the Company's budget on an annual basis. This includes approving the business plan for the following three years. As in previous years the Board's review in 2022 included an evaluation of the progress the Company had made against the 2022 strategic priorities and the Company's long-term strategic goals. As in previous years the budget had been prepared on a consolidated Turquoise group view as well as a view by the two regulated entities being Turquoise and Turquoise Global Holdings Europe B.V. The review focused on investment decisions around the Company's control environment, internally driven resilience activity and regulatory requirements.

This review is carried out in parallel to the Group's divisional budget process. All financial information is aligned to the divisional numbers presented to the Group Board annually in December.

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In making its decision to approve the 2022 budget, three-year business plan and future strategy of the Company, the Board also considered, amongst other things, its impact on the long-term position and reputation of the Company as well as feedback from engagement exercises with the workforce and dialogues with shareholders, customers, regulators and suppliers.

Shareholder considerations

The Company is a majority owned indirect subsidiary of London Stock Exchange Group plc and as such operates within LSEG's strategic framework and in accordance with LSEG's policies and procedures, enjoying a constructive working relationship within the Group. The Company also operates a number of Company specific policies which may impose a higher set of standards, where required.

Customer considerations

Our engagement with customers takes a variety of forms. We engage with them at customer working groups, conferences and round table events. We also engage with our customers through our social media platforms, which we use to provide regular updates on our products and their performance. We monitor customer feedback to help us establish our customers' views on the Company's products and services in order to improve our offering.

A subset of members of the Turquoise Plato Partnership, a not-for-profit industry group of buy and sellside firms meet quarterly with the Board to hear about new initiatives and developments and this again provides us with further opportunity to hear directly from the Company's customers.

Supplier considerations

Our Company relies on external and internal suppliers for certain services which are required to maintain the efficiency and resilience of the Company's operations.

The Company's management team holds regular meetings with its suppliers, which allow for open discussions and encourage a collaborative approach in order to identify and mitigate any risks to the key service provisions of the Company. At those meetings, service level agreements and KPIs are discussed, and feedback is exchanged. We believe that having solid long-term relationships with our suppliers is essential to continue to provide our solutions to customers and maintain operational resiliency.

Regulators

In 2022, the Company continued to work closely with the Financial Conduct Authority (FCA) in a challenging environment brought on by the geo-political environment and HM Government's agenda of post-Brexit regulatory reforms. The Company also produced its first Internal Capital and Risk Assessment further to the new Investment Firms Prudential Regime and continued to monitor reforms introduced under the Wholesale Markets Review. The Company is also engaged with the FCA on routine matters including the introduction of new products, technology arrangements and operational resilience. Our Compliance Team continued to monitor FCA policy statements and consultation papers, responding to material matters as needed and reporting to a Board Committee quarterly on these matters.

Workforce

Engagement with our workforce includes formal and informal meetings, an annual engagement survey and town hall meetings.

The implementation of a hybrid working environment following the Covid-19 pandemic was of particular importance for our workforce. In addition, as society continues to adapt to a new normal in the post-pandemic climate, the Company upholds the provision of Covid related support to the whole workforce through a variety of wellbeing programmes.

LSEG continues to emphasise the importance of engaging with the people and cultures of each region it operates in. In 2022, this was especially apparent for the Company when monitoring the developments in Sri Lanka. The welfare of colleagues is always of primary concern, and directives such as inflationary pay rises in Sri Lanka, are some examples of how LSEG aimed to mitigate uncertainties faced by employees.

2. Shareholders

Following a decision by some of the Company's minority shareholders, who are also customers, to divest their interests in the Company, the Board approved the transfer of shares to its majority shareholder, London Stock Exchange Group Holdings (R) Limited. In approving this, it was of particular importance to the Board that the Company should continue to have a close working relationship with these former shareholders which helps management understand their views and enhances the Company's ability to add value to their businesses by aligning our strategy, services and products to their needs and interests.

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We believe that this is central to supporting long-term value creation and enabling innovation. This interaction now takes place via various advisory groups.

3. Diversity and Inclusion

The Board believes that diversity makes us more dynamic, fosters innovation and boosts performance.

Engagement with key stakeholders exhibited the importance of diversity to our employees, customers and shareholders, which indirectly includes LSEG plc. As an organisation, we have set four key goals: (i) create a culture that fosters belonging; (ii) build a diverse leadership team, (iii) accelerate progression of underrepresented talent; and (iv) shape inclusion in our industry.

During 2022, LSEG updated its Subsidiary Policy which ensures that all Group Subsidiaries comply with relevant legal and regulatory requirements.

The LSEG Subsidiary Policy also focuses on Subsidiary Board Appointments and provides some key principles that should be adhered to when considering changes to the composition of Subsidiary Boards. Compliance with the LSEG Subsidiary Policy will result in greater consistency and transparency to future Subsidiary Board Appointments. It reiterates LSEG's commitment to increase racial and ethnic diversity in its senior leadership. For more details on LSEG's Diversity and Inclusion initiatives please refer to the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

Following changes to the management body during the year and the completion of individual and collective suitability assessments, the Board continues to monitor the diversity of the Board and aims to increase diversity wherever feasible when considering appointments.

EMPLOYEES

Our people are at the heart of what we do and drive the success of our business. Attracting, developing and retaining the skills we need to deliver on our strategy of being the most trusted market expert is a key imperative for the TGHL Group. We are dedicated to unifying our growing company and supporting our employees' talent in an environment built on partnership, integrity, innovation and excellence. The Company also provides an induction programme for new employees, including training on health and safety, and a range of development programmes for all staff to develop their skills and knowledge. The TGHL Group encourages and assists the employment, training and retention of disabled people. Where changes to working practices or structure affect staff, they are consulted and given appropriate support.

All employees are provided with information on matters of concern to them in their work, through regular briefing meetings and internal publications.

PRINCIPAL RISKS AND UNCERTAINTIES

The LSEG Group has implemented a Risk Management Framework which ensures that the management and assessment of risk remains a fundamental component of LSEG Group's strategic decision-making process.

The LSEG Board is responsible for the LSEG Group's Risk Management Framework and maintaining an appropriate system of internal controls. The system of internal controls is designed to facilitate the management of the LSEG Group and its businesses within the LSEG Board's risk appetite rather than eliminate the risk of failure to achieve the LSEG Group's objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss, fraud or breaches of laws and regulations. Executive management is accountable for risk identification, evaluation, mitigation, monitoring and reporting in accordance with the framework. A divisional internal control and Risk Management self-certification process is also performed semi-annually to support this process.

The TGHL Group is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the TGHL Group's ability to execute its strategy and deliver its expected performance. The identification, assessment and management of these risks are central to the TGHL Group's operating framework. The TGHL Group adopts the LSEG Group's risk and control structure and is based on the 'three lines of defence' model:

- The First line (Management), is responsible and accountable for identifying, assessing and managing risk.
- The Second line (Risk Management and Compliance), is responsible for defining the risk management process and policy framework and providing challenge to the first line on risk management activities assessing risks and reporting to the LSEG and Turquoise Board Committees on risk exposure.
- The Third line (Internal Audit), provides independent assurance to the LSEG and Turquoise Boards and other key stakeholders over the effectiveness of the systems of controls and the Risk Framework.

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In addition to the principal market and operational risks below, the TGHL Group is exposed to financial risks that are detailed on pages 20 to 21.

The TGHL Group's principal risks are considered to arise from clients and competition (with client alignment paramount to the successful operation and growth of our business), the continuing changing regulatory environment and the macro economic environment (unfavourable tax regimes, impact of Brexit on ability to conduct business with European Union ("EU") members, or the changing regulatory environment, may reduce the attractiveness of London as a major financial centre), the reliance on technology (including software, hardware and infrastructure) and increasing security threats (both physical and cyber).

The TGHL Group's principal operational risks include those arising from the change management with the TGHL Group having a number of major, complex projects and initiatives underway concurrently, the TGHL Group's ability to attract and retain high quality employees, the LSEG Group's dependencies on having secure premises and uninterrupted operation of its IT systems and infrastructure, and the TGHL Group's businesses and major revenue streams being highly dependent on secure and stable technology performing to high levels of availability and throughput.

There is no EU equivalence currently for the purpose of the Share Trading Obligation which has affected the ability for some EU firms to trade certain shares in the UK. In anticipation of this, the TGHL Group implemented its contingency plans during the prior year by launching Turquoise Europe, an MTF based in The Netherlands which is regulated by the Autoriteit Financiële Markten. The key objectives are to provide continuity of stable financial infrastructure services as part of our global remit. As the various regulatory initiatives progress, there will be greater certainty with regard to their likely final form. The TGHL Group continues to focus on remaining well positioned to respond to regulatory developments and further opportunities exist to deliver solutions to help the market address the changing regulatory environment, including those linked with the departure of the UK from the EU.

We are closely monitoring the events in Ukraine and Russia and have performed a risk assessment including considering contingency plans for our operations and activities in these countries.

On behalf of the Board,

DocuSigned by:



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Adam Wood

Chief Executive Officer

3 April 2023

REGISTERED OFFICE: 10 Paternoster Square, London, EC4M 7LS

TURQUOISE GLOBAL HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the TGHL Group for the year ended 31 December 2022.

REVIEW OF BUSINESS

The review of the TGHL Group's business is set out within the Strategic Report on page 4.

DIVIDENDS

The Directors have not recommended a dividend (year ended 31 December 2021: nil).

DIRECTORS AND DIRECTORS' INTERESTS

The following Directors have held office throughout the year and up to the date of approval of the financial statements:

R Leighton	Independent Non-Executive Director	
R Barnes	Chief Executive Officer	Resigned 31 December 2022
A Wood	Chief Executive Officer	Appointed 1 January 2023
D Jenkins	Non-Executive Director	
M Roos	Executive Director	
B Coward-Talbott	Non-Executive Director	
D Mehra	Non-Executive Director	Appointed 10 June 2022
D Clarkson	Independent Non-Executive Director	Resigned 14 October 2022
I Flockhart	Non-Executive Director	Resigned 7 June 2022

None of the Directors had any interest in the shares of the Company. There are no directors' interests requiring disclosure under Companies Act 2006.

DIRECTORS LIABILITIES

The Company has Directors and Officers insurance which provides an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the TGHL Group's Consolidated and the Company's 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 prepared the TGHL Group and Company financial statements in accordance with UK-adopted International Accounting Standards.

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 TGHL Group and the Company and of the profit or loss of the TGHL Group and the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the TGHL Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the TGHL Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the TGHL Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DIRECTORS' REPORT

EMPLOYEE ENGAGEMENT AND BUSINESS RELATIONSHIPS

A detailed description of how the Directors of the Company have engaged with employees and have regard to the need to foster the company's business relationships with suppliers and customers can be found in the s172 Statement on pages 2-4 of these statements.

GOING CONCERN

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. This has included consideration of the ongoing impact of COVID-19 and the evolving situation in Ukraine and Russia, the Company's liquidity, and funding position and also the Company's regulatory capital requirements. The Directors have also considered sensitivities including any potential impairments as a result of changes in cash flow forecasts. At the reporting date, no material short-term impacts have crystallised and the Company remains confident about its long-term future performance but remains vigilant in monitoring day to day changes. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

The Directors confirm that there were no other significant events occurring after the balance sheet date, up to the date of this report, that would meet the criteria to be disclosed or adjusted in the financial statements for the year ended 31 December 2022.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors. They are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board,

DocuSigned by:



999E95ED-89FD-44BE-865E-5746BE546803

Adam Wood

Chief Executive Officer

3 April 2023

REGISTERED OFFICE: 10 Paternoster Square, London, EC4M 7LS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURQUOISE GLOBAL HOLDINGS LIMITED

OPINION

We have audited the financial statements of Turquoise Global Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the group and parent company Balance Sheets, the group and parent company Cash Flow Statements, the group and parent company Statements of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's and parent company's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of twelve months, from the date 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURQUOISE GLOBAL HOLDINGS LIMITED

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, UK adopted International Accounting Standards, relevant Financial Conduct Authority's ("FCA") and Autoriteit Financiële Markten ("AFM") rules and regulations, and tax legislation (governed by HM Revenue and Customs).
- We understood how the group and the parent company are complying with those frameworks by making enquiries of senior management, the general counsel, the chief risk officer, the head of compliance and the head of internal audit. We also reviewed significant correspondences between the group and its regulatory bodies, reviewed minutes of the board and committees, and gained an understanding of the group's approach to governance, demonstrated by the board's approval of the group's governance framework and the board's review of the group's risk management framework and internal control processes.
- Carried out an assessment of matters reported through the company's whistleblowing programmes where these related to the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURQUOISE GLOBAL HOLDINGS LIMITED

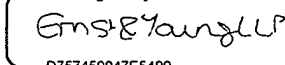
- We assessed the susceptibility of the group's and the parent company's financial statements to material misstatement, including how fraud might occur by considering the controls that the group and parent company have established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. We also considered the performance and incentive plan targets and their potential to influence management to manage earnings or the perceptions of investors. Our procedures over significant accounting estimates included challenging management on the assumptions and judgements made in determining these estimates.
- Identified and tested journal entries, including those posted with certain descriptions or unusual characteristics, backdated journals or posted by infrequent and unexpected users.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures inquiries of senior management, legal counsel, the compliance officer and internal audit, review of significant correspondence with regulatory bodies, minutes of meetings of the Board and certain Board committees, the whistleblowing log, and focused testing.
- The group operates in the investment exchange industry which is a regulated environment. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts where appropriate.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Emma Clayton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London.

3 April 2023

TURQUOISE GLOBAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

		Year ended 31 December 2022	Year ended 31 December 2021
	Notes	£'000	£'000
Revenue	3	24,638	27,024
Cost of sales		(2,111)	(2,222)
Gross profit		22,527	24,802
Expenses			
Administrative expenses	4	(22,819)	(17,937)
Operating (Loss)/Profit		(292)	6,865
Analysed as:			
Operating profit before depreciation & amortisation		892	7,931
Depreciation & amortisation		(1,184)	(1,066)
		(292)	6,865
Net finance income	7	482	193
Profit before taxation		190	7,058
Taxation	8	659	471
Profit for the financial year		849	7,529
Other comprehensive income:			
Exchange gains/(losses) on translation of foreign operations		508	(422)
Total comprehensive income		1,357	7,107

The transactions in the current year and prior year were derived from continuing operations.

The notes on pages 16 to 42 form an integral part of these financial statements.

TURQUOISE GLOBAL HOLDINGS LIMITED

BALANCE SHEETS

At 31 December 2022

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Notes	£'000	£'000	£'000	£'000
Assets					
Non-current assets					
Intangible assets	10	5,890	5,683	5,890	5,683
Property, plant and equipment		48	51	48	51
Investment in subsidiary undertakings	11	-	-	5,512	5,512
Deferred tax asset	12	2,341	1,682	2,340	1,682
		8,279	7,416	13,790	12,928
Current assets					
Trade and other receivables	13	19,464	21,165	22,334	20,695
Current tax		2	-	43	-
Cash and cash equivalents	14	31,382	24,267	18,107	15,895
		50,848	45,432	40,484	36,590
Total assets		59,127	52,848	54,274	49,518
Liabilities					
Current liabilities					
Trade and other payables	15	10,736	5,886	10,290	5,742
Current tax		1,065	948	-	138
Total liabilities		11,801	6,834	10,290	5,880
Net assets		47,326	46,014	43,984	43,638
Equity					
Ordinary share capital	16	14,000	14,000	14,000	14,000
Share premium		6,581	6,581	6,581	6,581
Other reserves		30,593	30,085	30,334	30,334
Accumulated losses		(3,848)	(4,652)	(6,931)	(7,277)
Total equity		47,326	46,014	43,984	43,638

The Company recorded a profit for the year of £ 0.4m (31 December 2021: £4.6m). The notes on pages 16 to 43 form an integral part of these financial statements.

The financial statements on pages 12 to 42 were approved by the Board on 29 March 2023 and signed on its behalf by:

DocuSigned by:



Adam Wood 944FB...

Chief Executive Officer

3 April 2023

Turquoise Global Holdings Limited

Registered number: 07102717

TURQUOISE GLOBAL HOLDINGS LIMITED

CASH FLOW STATEMENTS

Year ended 31 December 2022

		Group		Company	
		Year ended 2022	Year ended 2021	Year ended 2022	Year ended 2021
	Notes	£'000	£'000	£'000	£'000
Cash flow from operating activities					
Net cash flow generated by operations	17	5,526	5,292	991	1,696
Interest received		467	191	487	220
Royalties received		-	-	266	312
Corporation tax paid		(95)	(11)	(75)	-
Net cash inflow/(outflow) from operating activities		5,898	5,472	1,669	2,228
Cash flow from investing activities					
Purchase of intangible assets	10	(1,095)	(2,053)	(1,095)	(2,053)
Purchase of property, plant & equipment		0	(42)	0	(42)
Net cash (outflow) from investing activities		(1,095)	(2,095)	(1,095)	(2,095)
Cash flow from financing activities					
Loans to companies under common control		1,378	(217)	1,378	(217)
Net cash inflow / (outflow) from financing activities		1,378	(217)	1,378	(217)
Increase/(Decrease) in cash and cash equivalents		6,181	3,160	1,952	(84)
Exchange gains/(losses) on cash and cash equivalents		934	(868)	260	(420)
Cash and cash equivalents at beginning of the year		24,267	21,975	15,895	16,399
Cash and cash equivalents at end of the year	14	31,382	24,267	18,107	15,895

TURQUOISE GLOBAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to equity holders of the Group				Total attributable to equity holder
	Ordinary share capital	Share premium	Accumulated losses	Other reserves	
	£'000	£'000	£'000	£'000	£'000
31 December 2020	14,000	6,581	(12,096)	30,507	38,992
Profit for the financial year	-	-	7,529	-	7,529
Foreign currency translation	-	-	-	(422)	(422)
Tax in relation to employee share scheme and losses	-	-	(85)	-	(85)
Employee share scheme credits	-	-	592	-	592
Employee share scheme recharges	-	-	(592)	-	(592)
31 December 2021	14,000	6,581	(4,652)	30,085	46,014
Profit for the financial year	-	-	849	-	849
Foreign currency translation	-	-	-	508	508
Tax in relation to employee share scheme and losses	-	-	(45)	-	(45)
Employee share scheme credits	-	-	595	-	595
Employee share scheme recharges	-	-	(595)	-	(595)
31 December 2022	14,000	6,581	(3,848)	30,593	47,326

	Attributable to equity owners of the Company				Total attributable to equity holder
	Ordinary share capital	Share premium	Accumulated losses	Other reserves	
	£'000	£'000	£'000	£'000	£'000
31 December 2020	14,000	6,581	(11,792)	30,334	39,123
Profit for the financial year	-	-	4,600	-	4,600
Tax in relation to employee share scheme and losses	-	-	(85)	-	(85)
Employee share scheme credits	-	-	592	-	592
Employee share scheme recharges	-	-	(592)	-	(592)
31 December 2021	14,000	6,581	(7,277)	30,334	43,638
Profit for the financial year	-	-	391	-	391
Tax in relation to employee share scheme and losses	-	-	(45)	-	(45)
Employee share scheme credits	-	-	595	-	595
Employee share scheme recharges	-	-	(595)	-	(595)
31 December 2022	14,000	6,581	(6,931)	30,334	43,984

Other reserves comprise the following:

- Capital contribution reserve of £21.4m (31 December 2021: £21.4m), a reserve resulting from capital contributions made by London Stock Exchange Group Holdings (R) Limited, the Company's parent.
- Merger reserve of £8.9m (31 December 2021: £8.9m), is a reserve arising on consolidation when the Company issued shares as part of the consideration to acquire subsidiary undertakings.

The notes on pages 16 to 42 form an integral part of these financial statements.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. Basis of Preparation and Accounting Policies

The TGHL Group's consolidated and the Company's financial statements are prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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

The financial statements are prepared under the historical cost convention as modified by the revaluation of assets and liabilities held at fair value and on the basis of the TGHL Group's accounting policies.

The Company is a private limited company incorporated and domiciled in the UK. The address of its registered office is: 10 Paternoster Square, London, EC4M 7LS.

1.1 Recent Accounting Developments

The following amendments were endorsed in the International Accounting Standards during the year and have been adopted in these financial statements:

- Amendments to IFRS 3 Business Combinations: reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: proceeds before intended use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: onerous contracts - cost of fulfilling a contract
- Annual Improvements to IFRS 2018-2020

The impact of adopting these amendments did not have a material effect on the results of the TGHL Group.

1.2 Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries with all inter-company balances and transactions eliminated. The results of subsidiaries sold or acquired are included in the income statement up to, or from, the date that control passes. Control is achieved when the TGHL Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements. The Company's income for the period is disclosed within the balance sheet.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the TGHL Group in exchange for control of the acquiree. Adjustments to fair values include those made to bring accounting policies into line with those of the TGHL Group.

The TGHL Group applies a policy of treating transactions with non-controlling interests through the economic entity model. Transactions with non-controlling interests are recognised in equity. Where the non-controlling interest has an option to dispose of their holding to the TGHL Group, then the amounts potentially due are recognised at their fair value at the balance sheet date.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Investments in subsidiaries shares are measured at cost. These are reviewed for impairment when events indicate the carrying amount may not be recoverable and are accounted for in the Company's financial statements at cost less accumulated impairment losses.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Fees from trading services are recognised as revenue per transaction basis at the point of trade execution. Other revenue is recognised in the period when the service or supply is provided.

1.4 Royalties

Revenue from royalties is recognised at the date on which it is earned and measurable with certainty.

1.5 Cost of sales

Cost of sales comprises data fees and trading platform costs directly incurred to provide services to customers and direct expenses in relation to passive trading.

1.6 Foreign Currencies

These financial statements are presented in Pounds Sterling ("Sterling"), which is the Company's and TGHL Group's presentational and functional currency.

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transaction or at the monthly average as a proxy. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1.7 Finance Income

Finance income comprises interest earned on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the period.

1.8 Current and non-current classification

Current assets include cash and cash equivalents, and assets expected to be realised within one year from the reporting period, or intended for trade or consumption and realised in the course of the TGHL Group's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the TGHL Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.⁹

1.9 Intangible Assets

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the TGHL Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Income Statement.

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These may include brand names, customer relationships, licences and software intellectual property, all of which are recorded as intangible assets and held at cost less accumulated amortisation. These assets are amortised on a straight-line basis over their useful economic lives which are as follows:

- Customer and supplier relationships - 2 to 25 years (material assets are amortised over a life exceeding 15 years)
- Software licenses and intellectual property - 2 to 25 years (the majority of material assets are amortised over a life not exceeding 5 years)

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TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

The useful economic lives are based on management's best estimate such as attrition rates on customer relationships, product upgrade cycles for software and technology assets, market participant perspective for brands and pace of change of regulation for business.

Third party software costs for the development and implementation of systems which enhance the services provided by the TGHL Group are capitalised and amortised over their estimated useful economic lives of three to five years.

Internal product development expenditure is capitalised if the costs can be reliably measured, the product or process is technically, and commercially feasible, future economic benefits are probable and the TGHL Group has sufficient resources to complete the development and to use or sell the asset. The assets are recorded at cost including labour, directly attributable costs and any third-party expenses, and amortised over their useful economic lives of three to five years.

Intangible assets are continually assessed for any indicators of impairment and then specifically at each balance sheet date. Where indicators of impairment for a particular intangible asset are identified, a full impairment assessment is performed, with any diminution in value recognised in the income statement. When performing any impairment assessment, in addition to considering matters particular to the relevant TGHL Group business area, management evaluates the overall value of the asset from the perspective of a market participant.

1.10 Investment in Subsidiary Undertakings

A subsidiary is an entity in which the Company has power to control the financial and operating policies so as to obtain benefits from its activities. Investments in subsidiaries are stated in the Company's financial statements at cost less impairment losses, if any. On disposal, the difference between the net disposal proceeds and the carrying amount is included in the income statement.

1.11 Current and Deferred Taxation

Income tax on the profit for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in Other comprehensive income or directly in equity. In this case, the tax is also recognised in Other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the TGHL Group and the Company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting nor taxable profit or loss at that time. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

1.12 Financial Instruments

Financial assets and liabilities are initially recognised on their settlement date. The TGHL Group classifies its financial instruments as fair value through profit or loss (FVPL) or amortised cost. The classification is based on the TGHL Group's business model for managing its financial instruments and that the cash flows generated are "solely payments of principal and interest" (SPPI).

Financial assets

Financial assets at amortised cost are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. The Company's cash and cash equivalents and trade and other receivables fall within this category.

After initial recognition these assets are measured using the effective interest rate method. Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other income or operating expenses together with any foreign exchange gains and losses.

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TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Financial liabilities

Financial liabilities at amortised cost are all financial liabilities that are not classified as financial liabilities at FVPL. This comprises the Company's trade and other payables balances and borrowings.

Impairment

The TGH Group adopts a forward-looking approach to estimate impairment losses on financial assets. An expected credit loss (ECL) is calculated based on the difference between the contractual cash flows due and the expected cash flows. The difference is discounted at the asset's original effective interest rate and recognised as an impairment of the original value.

Financial assets at amortised cost - the ECL for trade receivables (including fees receivable), contract assets are calculated using IFRS 9's simplified approach using lifetime ECL. The provision is based on historic experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large to create an expected loss matrix.

The ECL on the other financial assets are measured using the general approach, which calculates a loss allowance based on the 12 month ECL at each reporting date until there is a significant increase in the financial instrument's credit risk, at which it will calculate a loss allowance based on the lifetime ECL, as described above for FVOCI assets.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.13 Trade and Other Receivables

Trade receivables are non-interest bearing and are initially recognised at their fair value, which is usually the original invoiced amount, less any provisions for impairment. A provision for impairment of trade receivables is calculated using IFRS 9's simplified approach using the lifetime expected credit losses. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or will be subject to a financial reorganisation and / or default on or be delinquent on its payment obligations are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the portion deemed recoverable. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited in the income statement.

1.14 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, term deposits and investments in money market funds that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

1.15 Share Based Compensation

The Company operates share based compensation plans for employees, settled in shares of the ultimate parent Company, London Stock Exchange Group plc (LSEG). The charge to the income statement is determined by the fair value of the options granted or shares awarded at the date of grant and recognised over the relevant vesting period. The Company is recharged costs from LSEG to settle the share-based awards made to employees of the Company.

The London Stock Exchange Group Long Term Incentive Plan (LTIP), approved at the 2004 AGM, has two elements, a conditional award of Performance shares and an award of Matching shares linked to investment by the executive of annual bonus in the Company's shares. Vesting of these awards is dependent upon the LSEG's total shareholder return performance and for awards made since 2008, adjusted earnings per share.

The Save As You Earn (SAYE) scheme provides for grants of options to employees who enter into a SAYE savings contract and options were granted at 20 per cent below fair market value. Share awards are granted at nil cost to employees and other share options were granted at fair market value or above.

The Company is recharged costs from London Stock Exchange Group plc to settle the share-based awards made to employees of the Company.

1.16 Dividend distributions

Dividend distributions to the Company's equity holders are recognised as a liability in the TGH Group financial statements in the period in which the dividends are approved by the Company's shareholders.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

2. Financial Risk Management

The TGHL Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, capital risk and regulatory and compliance risk. The TGHL Group is part of London Stock Exchange Group plc ("LSEG Group") and financial risk management is carried out by LSEG Group through its central treasury, compliance, and financial control functions. LSEG Group's risk management approach seeks to minimise the potential adverse effects of these risks on the financial performance of the Company.

2.1 Market Risk

Foreign exchange risk

The TGHL Group operates in the UK, EU and the US and reports its results in sterling and therefore its exposure to foreign exchange risk is limited to specific foreign currency transactions that it may enter into.

Foreign exchange risk is identified by the LSEG's central treasury function and, if deemed material, is hedged in accordance with LSEG's approved policy framework.

The TGHL Group reviews sensitivities to movements in exchange rates which are appropriate to market conditions. As at 31 December 2022, the TGHL Group has considered movements in the euro and the US dollar over the year to 31 December 2022 and has concluded that a 10 per cent movement in rates is a reasonable level to measure the risk to the TGHL Group. At 31 December 2022, if sterling had weakened or strengthened by 10 per cent against the euro and/or the US dollar with all other variables held constant, the impact on post tax profit for the year to 31 December 2022 and on equity at the 31 December 2022 is set out, with comparatives, in the table below:

		GROUP		GROUP	
		31 December 2022		31 December 2021	
		Profit after tax impact increase/ (decrease) £'000	Profit after tax impact increase/ (decrease) £'000	Profit after tax impact increase/ (decrease) £'000	Equity Impact increase/ (decrease) £'000
Euro	Sterling Weaken	1,213.0	1,213.0	776.9	776.9
	Sterling Strengthen	(1,102.7)	(1,102.7)	(706.3)	(706.3)
US dollar	Sterling Weaken	18.1	18.1	(47.2)	(47.2)
	Sterling Strengthen	(16.5)	(16.5)	42.9	42.9

		COMPANY		COMPANY	
		31 December 2022		31 December 2021	
		Profit after tax impact increase/ (decrease) £'000	Equity Impact increase/ (decrease) £'000	Profit after tax impact increase/ (decrease) £'000	Equity Impact increase/ (decrease) £'000
Sterling Strengthen					
Euro	Sterling Weaken	830.3	830.3	(8.3)	(8.3)
	Sterling Strengthen	(754.9)	(754.9)	7.5	7.5
US dollar	Sterling Weaken	14.4	14.4	(42.2)	(42.2)
	Sterling Strengthen	(13.1)	(13.1)	38.3	38.3

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Interest rate risk

In its review of the sensitivities to potential movements in interest rates, the TGHL Group has considered interest rate volatility and has concluded that a 1 percentage point upward movement (with a limited prospect of material downward movement) reflects a reasonable level of risk to current rates. For the period ended 31 December 2022, at the TGHL Group and Company level, if interest rates on sterling-denominated, euro-denominated and US dollar-denominated cash and borrowings had been 1 percentage point higher with all other variables held constant, post-tax profit for the year would have been £172k higher (31 December 2021: £173k higher).

2.2 Credit Risk

Credit risk is the risk that the TGHL Group's counterparties will be unable to meet their obligations to the TGHL Group either in part or in full and arises from credit exposures to customers as well as on cash and cash equivalent balances and deposits.

Credit risk is controlled through policies and procedures developed either at the LSEG level or by the TGHL Group itself in consultation, where appropriate, with its regulator.

The TGHL Group assesses the credit quality of its customers, based upon the customer's financial position and considering past experience and other factors. Trade receivables, net of impairment, are concentrated in the financial community, and are managed as one class of receivables. There is no material concentration of credit risk with respect to trade receivables as the TGHL Group has a large number of customers; the low historic incidence of customer defaults, the recurring nature of the billing and the largely automated collection arrangements, means that management assesses the credit quality of the TGHL Group's customers as high.

2.3 Liquidity Risk

The TGHL Group is exposed to liquidity risk to the extent that it is unable to meet its daily payment obligations.

The LSEG Group is required, under policy, to maintain significant committed credit facilities to support its subsidiaries' liquidity requirements including those of the TGHL Group. The central treasury function of the LSEG ensures the TGHL Group is therefore in a position on a day to day basis to meet all its financial obligations as they fall due.

Management monitors forecasts of the TGHL Group's cash flow and overlays sensitivities to these forecasts to reflect assumptions about more difficult market conditions. Internal cash management, including the observance of local regulatory requirements, is a key focus of the LSEG's treasury management.

No separate analyses have been prepared to split the TGHL Group's current financial liabilities into relevant maturity groupings because all liabilities are expected to be paid, based upon their contractual maturity date, within one year.

2.4 Capital Risk Management

The TGHL Group manages its capital to ensure it meets its regulatory capital requirements and will be able to continue as a going concern. The capital structure of the TGHL Group consists of equity, comprising issued share capital, share premium, other reserves and accumulated losses as disclosed in the Balance Sheet and in note 16.

The TGHL Group is required to maintain certain levels of liquidity for regulatory and operational purposes. These requirements are agreed with the relevant regulators. As at 31 December 2022 the TGHL Group held capital resources which exceeded the minimum regulatory capital required.

2.5 Regulatory and Compliance Risk

Turquoise Global Holdings Limited has permission to operate a multilateral trading facility and to arrange deals on investments. As an FCA authorised limited activity firm, the Company is subject to FCA Handbook organisational, prudential, behavioral, notification and reporting requirements and guidance. Turquoise Europe has permission from the Autoriteit Financiële Markten (AFM) in The Netherlands to operate as a multilateral trading facility and must remain compliant with the applicable rules and regulations.

The TGHL Group has a zero appetite for operating outside of its regulatory obligations. Accordingly:

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TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

- The TGHL Group will devote the required resources to ensure its conduct and service offering (existing and new) is compliant with the applicable rules and regulations. Where an element of interpretation is necessary, the TGHL Group will act prudently.
- The TGHL Group will seek to ensure that its staff and outsourced service providers are aware of and act in accordance with all applicable rules and policies.
- Should the TGHL Group be projected to breach its minimum regulatory capital requirements, the TGHL Group will either raise fresh capital in sufficient time or will execute an orderly wind-down of the business.
- Any suspected breaches of regulatory obligations will be reported to the competent authority immediately.

For reasons of efficiency and continuity, the Company has outsourced the compliance and Anti-Money Laundering (AML) function, as well as the required Senior Management Functions of Compliance Oversight (SMF16) and Money Laundering Reporting Officer (SMF17) to London Stock Exchange plc. These roles were formerly the CF10 and CF11 roles under the FCA's Approved Person regime but were migrated into the FCA Senior Management and Certification Regime (SMCR) and became applicable to Company on 9 December 2019. The outsourcing arrangement is specified in and managed on the basis of a work order. The SMF16/SMF17 coordinates and prioritises activities on a frequent basis with the TGHL Group's senior management. In order to ensure compliance with regulatory requirements and expectations, the Company's compliance and AML function operates a regulatory risk management framework, including the performance of a compliance risk assessment which is monitored on an on-going basis. Additionally, compliance systems and controls are subject to regular testing.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

2. Significant Judgements and Estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant estimates for the year ended 31 December 2022 are as follows:

- Goodwill - tested for impairment annually. The recoverable amounts of relevant cash generating units are based on value in use calculations using management's best estimate of future performance and estimates of the return required by shareholders to determine an appropriate discount rate;
- Intangible assets - software is amortised over their estimated useful economic lives and subsequently assessed for any indicators of impairment. These are determined based on management's best estimates of future performance and periods over which value from the intangible assets is realised; and
- Deferred tax assets - The Company recognises deferred tax assets to the extent it is probable they will be recoverable against future taxable profits or via surrender or group relief to other companies within the LSEG Group, the actual achievement of which is not certain.
- We have considered the impact of climate change on our financial reporting for the year. Some physical and transition risks can manifest in the shorter term however many of the effects arising from climate change will be longer term in nature, and therefore come with an inherent level of uncertainty. Climate change has had limited effect on the accounting judgements and estimates for the current period and we believe there is no material impact on the asset and liability valuations at 31 December 2021 in relation to climate risks.

3. Revenue and Other Income

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Integrated trading (Lit)	5,000	6,098
Mid-point trading (Dark)	13,331	14,961
Data charges and other	6,307	5,965
Total revenues	24,638	27,024

The TGHL Group's revenue from contracts with customers disaggregated by timing of revenue recognition for the year ended 31 December 2022 is shown below:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Timing of revenue recognition		
Services satisfied at a point in time	18,863	21,552
Services satisfied over time	5,775	5,472
Total revenue from contracts with customers	24,638	27,024

All of the TGHL Group's revenue for the year ended 31 December 2022 is recognised from activities in the UK & Europe.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. Administrative Expenses

Expenses comprise the following:

		Year ended 31 December 2022	Year ended 31 December 2021
	Notes	£'000	£'000
Employee costs	5	3,521	2,430
Property costs		101	78
IT costs		12,120	9,997
Non recoverable VAT		1,478	532
Professional fees		492	455
Outsourcing fees		3,739	2,918
Depreciation & amortisation	10	1,182	1,063
Other costs		186	464
Total expenses		22,819	17,937

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

5. Employee Costs

Employee costs comprise of the following:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Salaries and other short-term benefits	3,093	2,070
Social security costs	363	284
Other pension costs	65	76
Total payments made to employees	3,521	2,430

Share based recharges of £595k for the year ended 31 December 2022 (year ended 31 December 2021: £592k) are included within salaries and short-term benefits.

	Year ended 31 December 2022	Year ended 31 December 2021
Number of employees in the TGHL Group at year end	6	8
Monthly average number of employees in the TGHL Group	6	7

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

6. Directors' Remuneration

The Directors' aggregate remuneration in respect of qualifying services were:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Remuneration received	477	632
Benefits	180	4
Value of contributions to group personal/money purchase schemes	20	20
Share based payments	524	572
Total	1,200	1,228

During the year 2 Directors (2021: 2) had retirement benefits accruing under the Group's defined contribution schemes.

The emoluments of Directors disclosed above includes the following amounts for the highest paid Director:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Remuneration received	239	321
Benefits	179	3
Value of contributions to group personal/money purchase schemes	15	16
Share based payments	501	546
Total	934	886

The highest paid Director exercised a total of 12,654 share options and conditional shares of London Stock Exchange Group plc during the year.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

7. Net Finance Income

	Year ended 31 December 2022	Year ended 31 December 2021
Notes	£'000	£'000
Finance income		
Bank deposit and other interest income	100	3
Interest on loan to company under common control	402	219
Bank deposit and other interest expense	(20)	(29)
Net finance income	482	193

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

8. Taxation

The standard UK corporation tax rate was 19% (19% for the year ended 31 December 2021).

		Year ended 31 December 2022	Year ended 31 December 2021
Taxation charged/(credited) to the income statement	Notes	£'000	£'000
Current tax:			
UK tax for the year		(30)	42
Overseas tax for the year		150	833
		120	875
Deferred tax:	12		
Deferred tax for the year		(30)	(6)
Recognition of previously unrecognised tax losses		(504)	(1,026)
Adjustments in respect of previous years		-	(18)
Impact of change in rate		(245)	(296)
Taxation (credit)/charge		(659)	(471)
Taxation on items not (credited) / charged to the income statement			
Current tax credit/(charge)			
-Tax allowance on share options/awards in excess of expense recognised		75	-
Deferred tax credit/(charge)			
-Tax allowance on share options/awards in excess of expense recognised		(91)	(118)
Impact of change in rate		(29)	33
Taxation credit/(charge)		(45)	(85)

Factors affecting the tax charge for the year

The income statement tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (19% for the year ended 31 December 2021) as explained below:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Profit before taxation	190	7,058
Profit multiplied by standard rate of corporation tax in the UK	36	1,341
Expenses not deductible	48	(82)
Utilisation of brought forward losses where no deferred tax recognised	-	(510)
Overseas tax losses where no deferred tax recognised	-	(58)
Overseas earning taxed at higher rate	6	177
Adjustments in respect of previous years	-	(18)
Adjustment arising from change in UK tax rate	(245)	(296)
Recognition of DT on previously unrecognised Losses	(504)	(1,026)
Taxation charge	(659)	(471)

An increase in UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of the reversal of the related temporary difference (2021: 23.6%).

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

9. Dividend

No dividend has been proposed or paid in the year (year ended 31 December 2021: nil).

10. Intangible Assets

Group	Goodwill £'000	Software £'000	Total £'000
Cost:			
At 1 January 2021	8,830	8,782	17,612
Additions in the year	-	2,053	2,053
At 31 December 2021	8,830	10,835	19,665
Additions in the year	-	1,389	1,389
At 31 December 2022	8,830	12,224	21,054
Accumulated impairment and amortisation charge:			
At 1 January 2021	7,830	5,089	12,919
Amortisation charge for the year	-	1,063	1,063
At 31 December 2021	7,830	6,152	13,982
Amortisation charge for the year	-	1,182	1,182
At 31 December 2022	7,830	7,334	15,164
Net book values:			
At 31 December 2022	1,000	4,890	5,890
At 31 December 2021	1,000	4,683	5,683
Company	Goodwill £'000	Software £'000	Total £'000
Cost:			
At 1 January 2021	8,830	8,782	17,612
Additions in the year	-	2,053	2,053
At 31 December 2021	8,830	10,835	19,665
Additions in the year	-	1,389	1,389
At 31 December 2022	8,830	12,224	21,054
Accumulated impairment and amortisation charge:			
At 1 January 2021	7,830	5,089	12,919
Amortisation charge for the year	-	1,063	1,389
At 31 December 2021	7,830	6,152	13,982
Amortisation charge for the year	-	1,182	1,182
At 31 December 2022	7,830	7,334	15,164
Net book values:			
At 31 December 2022	1,000	4,890	5,890
At 31 December 2021	1,000	4,683	5,683

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

On 1 April 2011, the goodwill and the purchased intangibles of the TGHL Group were transferred into the Company. This was following the transfer of the trading businesses of its subsidiaries into the Company and reflected the value attributable to the goodwill and the purchased intangibles which is now held by the Company.

Impairment tests for goodwill

In addition to the long-term growth rate and discount rate, the value in use calculation is based on key assumptions about the short- and medium-term revenue and cost growth. The values assigned to short- and medium-term revenue and cost growth assumptions are based on a specific piece of valuation work carried out during the year incorporating the latest financial forecasts. The assumptions are derived from an assessment of current trends, anticipated market and regulatory developments, discussions with customers and suppliers, and management's experience. These factors are considered in conjunction with the TGHL Group's long-term strategic objectives to determine appropriate short and medium growth assumptions.

A pre-tax discount rate of 8.87% (31 December 2021: 8.55%) and Long-Term growth rates assumed to be 3.0% (31 December 2021: 3.0%), applied to the cash flow projections, is based on a number of factors including the UK risk free rate, the Company's estimated market risk premium and a premium to reflect the inherent risks of the business. In addition to the long-term growth rate and discount rate, the value in use calculation is based on key assumptions about short- and medium-term revenue and cost growth. These assumptions reflect current trends, anticipated market developments, discussions with customers and suppliers and management's experience.

Based on the results of the impairment tests performed as at 31 December 2022, management believes there is no impairment of the carrying value of the goodwill in the cash generating unit (CGU) (31 December 2021: nil). Value in use calculations for the CGU are sensitive to changes in short- and medium-term revenue and cost growth assumptions, long term growth rates and pre-tax discount rates.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

11. Investments in Subsidiary Undertakings

A list of the Company's subsidiaries as at 31 December 2022 is given below. The entire share capital of subsidiaries is held within the Company.

Name of subsidiary undertaking	Country of incorporation and principal operations	Country of incorporation and principal operations Registered office address	Direct or indirect holding	Identity of each class of share held in the subsidiary undertaking	Percentage of class by its immediate direct parent	Ultimate Company %	Value of holding Prior year	Value of holding Current year
Turquoise Global Holdings US Inc	United States	28 Liberty Street, 58 th Floor, New York NY10005, United States	Direct	Ordinary	100	100	£281,063	£281,063
Turquoise Global Holdings Europe B.V.	Netherlands	Suite 108, Nieuwezijds Voorburgwal 162, Amsterdam 1012 SJ, Netherlands	Direct	Ordinary	100	100	£5,230,883	£5,230,883

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

12. Deferred Tax Asset

Group and Company	Accelerated tax depreciation £'000	Losses £'000	Other temporary differences £'000	Total £'000
31 December 2021	59	1,251	373	1,682
Tax credited/(charged) to income statement:	(8)	527	14	534
Impact of rate change	(2)	243	4	245
Tax credited to equity	-	-	(91)	(91)
Impact of rate change	-	-	(29)	(29)
31 December 2022	49	2,021	271	2,341
Net assets at 31 December 2022	49	2,021	271	2,341
Net assets at 31 December 2021	59	1,251	373	1,682

The deferred tax assets are recoverable against future taxable profits and are due after more than one year.

The deferred tax asset of £2.3m (31 December 2021: £1.7m) recognised in respect of other temporary differences relates to share based payments.

The Group and Company has unrecognised deferred tax assets of £14.5m (31 December 2021: £15.6m) which relate primarily to losses in the equities business in 2014 and earlier periods.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

13 . Trade and Other Receivables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Current				
Trade receivables	1,221	950	499	219
Fees receivable	1,438	1,604	561	598
Less: Provision for impairment of receivables	-	(7)	-	(6)
Trade receivables - net	2,659	2,547	1,060	811
Amounts due from companies under common control	16,428	18,404	20,911	19,670
Amounts due from ultimate parent	63	63	63	63
Group relief	104	-	104	-
Other receivables	26	1	16	1
Prepayments	184	150	179	150
Total trade and other receivables	19,464	21,165	22,333	20,695

Amounts due from companies under common control include a loan to London Stock Exchange Group Holdings Limited of £ 16.0m (31 December 2021: £17.3m), with interest charged at SONIA plus 1.2%, maturing on 9 September 2025. All other amounts due from companies under common control are interest free and repayable on demand.

The carrying values less impairment provision of trade and other receivables are reasonable approximations of fair values.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Sterling	17,217	18,991	21,802	20,291
Euro	2,056	2,075	443	363
US Dollars	87	98	87	40
Other	0	1	1	1
Total trade and other receivables	19,360	21,165	22,333	20,695

Movements in the TGHL Group's provision for expected credit losses on trade receivables are as follows:

	31 December 2022	31 December 2021
	£'000	£'000
1 January	7	2
Increase / (release) of provision for impairment of receivables	(7)	5
31 December	-	7

The provision and release of the provision for impaired receivables have been included in operating expenses in the income statement. Amounts charged to the allowance account are written off when there is no expectation of recovery of additional cash.

The other classes within trade and other receivables and the other categories of financial assets do not contain impaired assets.

14. Cash and Cash Equivalents

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Cash at bank	24,112	9,567	10,837	1,195
Short term deposits	7,270	14,700	7,270	14,700
Total cash and cash equivalents	31,382	24,267	18,107	15,895

Cash and cash equivalents are held with authorised counterparties of a high credit standing, short term deposits and AAA rated money market funds. Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents, and there are no material differences between the book and fair values.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

15. Trade and Other Payables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Current				
Trade Payables	965	271	902	260
Amounts owed to ultimate parent company	433	259	423	259
Amounts owed to companies under common control	4,307	1,870	4,117	1,857
Accrued expenditure	2,519	2,678	1,307	2,539
Social security and other taxes	1,884	616	1,869	598
Other payables	628	192	1,672	229
Total trade and other payables	10,736	5,886	10,290	5,742

Amounts owed to ultimate parent company, companies under common control and subsidiary undertakings are interest free and repayable on demand. The carrying amounts of trade and other payables are a reasonable approximations of fair values.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

16. Ordinary Share Capital

	31 December 2022		31 December 2021	
	Number of shares '000	Share capital £'000	Number of shares '000	Share capital £'000
Issued, called up and fully paid				
Ordinary shares of £1 each	14,000	14,000	14,000	14,000

17. Net Cash Flow Generated by Operations

	Group		Company	
	Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000	£'000	£'000
Profit/(Loss) before taxation	190	7,058	(418)	3,298
Depreciation, amortisation and impairment of intangible assets	1,184	1,066	1,184	1,066
Net finance income	(482)	(193)	(502)	(222)
Net foreign exchange	(293)	46	(240)	43
Share scheme expense	595	592	583	592
Royalties	-	-	(266)	(312)
Decrease/(Increase) in trade and other receivables	(133)	637	(3,608)	1,085
Increase/(Decrease) in trade and other payables	4,465	(3,914)	4,258	(3,854)
Net Cashflow generated by operations	5,526	5,292	991	1,696

18. Commitments and Contingencies

Contracted capital commitments and other contracted commitments and contingencies not provided for in the financial statements of the Company and the TGHL Group were both nil (31 December 2021: nil).

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

19. Share Schemes

The London Stock Exchange Group Long Term Incentive Plan ("LTIP"), approved at the 2014 AGM, is equity settled and includes a conditional award of Performance Shares and an award of Matching Shares linked to investment by the executive of annual bonus in LSEG plc shares - the latter element is not applicable to executive directors. Vesting of these awards is dependent upon both market and non-market performance conditions. These performance conditions include achievement of LSEG Plc's absolute total shareholder return and adjusted basic earnings per share of the LSEG Group. The performance conditions include achievement of relative total shareholder return (40%) and adjusted basic earnings per share (60%) targets.

For each performance measure, achievement of the threshold performance level will result in no more than 25 per cent of the maximum award paying out. For achievement of the maximum performance level, 100 per cent of the maximum pays out. Normally, there is straight-line vesting between these points.

The Group's Remuneration Committee determines performance targets each year to ensure that the targets are stretching and support value creation for shareholders whilst remaining motivational for management. Further details are provided in the Remuneration Report in the Annual Report of the London Stock Exchange Group plc for the year ended 31 December 2022, which does not form part of this report.

The Save As You Earn ("SAYE") scheme provide for grants of options to employees who enter into a SAYE savings contract. These options are granted at an exercise price which represents a discount of up to 20% to market value at the date of invitation. No performance conditions are attached to SAYE options

Share options were exercised on a regular basis throughout the year and the weighted average exercise price was as follows:

	SAYE		LTIP	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
31 December 2021	1,116	48.28	29,832	-
Granted	56	63.71	8,194	-
Exercised	(702)	38.46	(14,453)	-
Lapsed/Forfeited	-	-	-	-
Transferred in	-	-	-	-
Transferred out	-	-	-	-
31 December 2022	470	64.79	23,573	-

The weighted average share price of London Stock Exchange Group plc shares during the year was £76.11 (year ended 31 December 2021: £77.76).

	At 31 December 2022		At 31 December 2021	
	Number outstanding	Weighted average remaining contractual life Years	Number outstanding	Weighted average remaining contractual life Years
SAYE				
Between £30 and £50	-	-	702	0.4
More than £50	470	2.0	414	2.8
LTIP				
Nil	23,573	1.1	29,832	1.0
Total	24,043		30,948	

The fair value of share awards and share options granted during the period was determined using a stochastic valuation model. The key assumptions used in the valuation were as follows:

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

	Performance
	Shares
	6-Apr-22
Grant date share price	£83.60
Expected life	3 years
Exercise price	nil
Dividend yield	0.94%
Risk-free interest rate	1.59%
Volatility	32.15%
Fair value	n.a
Fair value TSR	£63.50
Fair value EPS	£81.29

The approach adopted by the LSEG Group in determining the fair value for the Performance and Matching Shares granted during the year was based on a Total Shareholder Return ("TSR") pricing model which incorporates TSR performance conditions and references the vesting schedules of the awards.

For all other share awards, including the Share Save Plan, the Black-Scholes model was used.

The significant inputs into both models are the share price at grant date, expected volatility, dividend yields and annual risk-free interest rate. The volatility assumption is based on the historical 3-year volatility as at the date of grant. The risk-free interest rate represents the yield available on a UK zero-coupon government bond on the date of grant for a term commensurate with the vesting period of the award. The expected life refers to the time from the date of grant to the date the awards vest. Holders of share awards and share options are not entitled to receive dividends declared during the vesting period.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

20. Transactions with Related Party

Directors

During the current period and in the prior year, no contracts of significance were entered into by the Company in which the Directors had a material interest.

Key management compensation

Compensation for Directors of the Company and key management personnel who have authority for planning, directing and controlling the TGHL Group:

	31 December 2022	31 December 2021
	£'000	£'000
Emoluments received	1,012	866
Benefits	182	6
Value of contributions to group personal / money purchase schemes	39	36
Share based payments	524	703
Total expenses	1,757	1,611

Transactions with companies under common control (Group):

	31 December 2022			31 December 2021		
	Income statement Revenue / (Expense)			Income statement Revenue / (Expense)		
	Trade and other receivables / (Payables)	Loan interest	Services	Trade and other receivables / (Payables)	Loan interest	Services
Borsa Italiana SpA	-	-	-	42	-	(108)
EXACTPRO Systems, LLC	-	-	-	-	-	(49)
FTSE Italy SpA	(168)	-	-	(119)	-	5
Gatelab SRL	-	-	-	-	-	(74)
LCH SA	(23)	-	-	(21)	-	-
London Stock Exchange Group plc	(370)	-	-	(196)	-	(56)
London Stock Exchange plc	(262)	-	-	(481)	-	(2,868)
LSEG Business Services Ltd	(3,782)	-	-	(134)	-	(10,280)
LSEG Business Services RM S.R.L	-	-	-	-	-	163
LSEG Employment Services Ltd	-	-	-	(1)	-	-
LSEGH Inc	(388)	-	-	(138)	-	(319)
LSEGH Ltd	16,023	402	402	17,402	219	-
Millennium IT Software (Private) Limited	-	-	-	(156)	-	(33)
REDI Technologies Ltd	27	-	-	14	-	-
Refinitiv Ltd	93	-	-	40	-	-
UnaVista TRADEcho B.V.	(18)	-	-	(22)	-	(26)

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Transactions with companies under common control (Company):

	31 December 2022			31 December 2021		
	Income statement Revenue / (Expense)			Income statement Revenue / (Expense)		
	Trade and other receivables / (Payables)	Loan interest	Services	Trade and other receivables / (Payables)	Loan interest	Services
Borsa Italiana SpA	-	-	-	42	-	(108)
EXACTPRO Systems, LLC	-	-	(41)	-	-	-49
FTSE Italy SpA	(168)	-	-	(119)	-	5
Gatelab SRL	-	-	(71)	-	-	-
London Stock Exchange Group plc	(360)	-	(56)	(196)	-	(56)
London Stock Exchange plc	(262)	-	(3,288)	(482)	-	(2,839)
LSEG Business Services Colombo (Private) Ltd	-	-	-	0	-	1
LSEG Business Services Ltd	(3,677)	-	(11,544)	(134)	-	(10,260)
LSEG Business Services RM S.R.L	-	-	259	0	-	163
LSEG Employment Services Ltd	-	-	-	(1)	-	-
LSEGH Ltd	16,023	402	-	17,402	219	-
Millennium IT Software (Private) Limited	-	-	5	(156)	-	(33)
REDI Technologies Ltd	27	-	-	14	-	-
Refinitiv Ltd	93	-	(9)	40	-	-
Turquoise Global Holdings Europe B.V.	4,442	-	8,896	1,326	-	8,733
Turquoise Global Holdings US, Inc	(343)	-	(972)	(58)	-	(378)

Included within outstanding Trade and Other Receivables/(Payables) balances above, are amounts which represent disbursements made by other LSEG group companies, on behalf of the Company, and due to their nature, would not be recorded in the income statement.

Related undertakings

A list of the TGHL Group's subsidiaries as at 31 December 2022 is given in note 11.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

21. Other Statutory Information

Auditors' remuneration payable to Ernst & Young LLP comprise the following:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Audit of Group's and Company's financial statements	106	159
Audit of subsidiary companies	70	16
Other assurance services	13	12
Total	189	187

22. Ultimate Parent Company

As at 31 December 2022, the Company's ultimate parent undertaking and the parent that headed the largest and smallest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc. The Company's immediate parent is London Stock Exchange Group Holdings (R) Limited. Both companies are incorporated in the United Kingdom. 51.36% of the issued share capital of the Company was beneficially owned by its ultimate parent undertaking.

A copy of the London Stock Exchange Group plc consolidated financial statements can be obtained from London Stock Exchange Group plc, 10 Paternoster Square, London EC4M 7LS.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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23. Capital Requirements Directive (CRD) IV disclosures

The TGHL Group comprises the following entities, all 100% owned.

Company name	Principal activity	Country of incorporation and principal operations Registered office address	Country of Incorporation
Turquoise Global Holdings Ltd	Financial Intermediation	10 Paternoster Square, London, EC4M 7LS, UK	England & Wales
Turquoise Global Holdings US Inc	Branch	14 Wall Street, Suite 4G, New York, NY10005, United States	USA
Turquoise Global Holdings Europe B.V.	Investment Services	Keizersgracht 679, 1017DV Amsterdam	Netherlands

The required CRD IV disclosures are as follows:

Company	Headcount	Income	Profit / (loss) before Tax	Taxation	Profit after Tax	Public subsidies received
Turquoise Global Holdings Ltd	6	11,313	(1,443)	769	(674)	-
Turquoise Global Holdings US Inc	-	-	84	(21)	63	-
Turquoise Global Holdings Europe B.V.	2	13,325	1,549	(91)	1,458	-