

Company Registration No. 09545988 (England and Wales)

ZISHI CORNERSTONE LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



ZISHI CORNERSTONE LIMITED

COMPANY INFORMATION

Directors	D Langley C Jenkins
Secretary	A Aguda
Company number	09545988
Registered office	Imperial House 21-25 North Street Bromley Kent BR1 1SD
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

ZISHI CORNERSTONE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of the provision of bespoke training courses for clients on derivatives, financial markets and trading.

Results and dividends

The results for the year are set out on page 3.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

D Langley

K A Jones

C Jenkins

(Resigned 23 March 2021)

(Appointed 31 July 2022)

Qualifying third party indemnity provisions

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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



D Langley

Director

Date: 7/9/22

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF ZISHI CORNERSTONE LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

In order to assist you to fulfil your duties under the Companies Act 2006 and regulations thereunder ("the Acts"), we prepared for your approval the financial statements of Zishi Cornerstone Limited, which comprise Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and the related notes as set out on pages 4 to 15 in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Zishi Cornerstone Limited, as a body, in accordance with the terms of our engagement letter dated 5 November 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Zishi Cornerstone Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Zishi Cornerstone Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Zishi Cornerstone Limited under the Acts. You consider that Zishi Cornerstone Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Zishi Cornerstone Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants
3rd Floor
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date: 13/09/2022

ZISHI CORNERSTONE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Revenue	3	693,951	339,439
Administrative expenses		(1,011,758)	(776,097)
Operating loss	5	(317,807)	(436,658)
Investment income	6	53	-
Loss before taxation		(317,754)	(436,658)
Tax on loss	7	9,450	103,187
Loss and total comprehensive income for the financial year		(308,304)	(333,471)

ZISHI CORNERSTONE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Non-current assets			
Intangible assets	8	155,064	283,112
Current assets			
Other receivables	9	339,948	134,232
Current tax recoverable		-	4,122
Deferred tax asset	11	48,216	-
Cash and cash equivalents		22,626	217,173
		410,790	355,527
Current liabilities			
Trade and other payables	10	1,672,825	1,498,341
Taxation and social security		22,269	-
		1,695,094	1,498,341
Net current liabilities		(1,284,304)	(1,142,814)
Total assets less current liabilities		(1,129,240)	(859,702)
Provisions for liabilities			
Deferred tax liabilities	11	38,766	-
Net liabilities		(1,168,006)	(859,702)
Equity			
Called up share capital	12	1	1
Retained earnings		(1,168,007)	(859,703)
Total equity		(1,168,006)	(859,702)

For the period ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

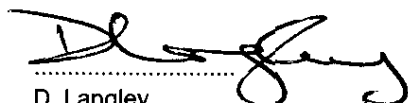
The director acknowledges their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

ZISHI CORNERSTONE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 2/9/22 and are signed on its behalf by:



D Langley
Director

ZISHI CORNERSTONE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2020	1	(526,232)	(526,231)
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(333,471)	(333,471)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	1	(859,703)	(859,702)
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(308,304)	(308,304)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	1	(1,168,007)	(1,168,006)
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ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Zishi Cornerstone Limited is a private company limited by shares incorporated in England and Wales. The registered office is Imperial House, 21-25 North Street, Bromley, Kent, BR1 1SD.

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

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

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

Reduced Disclosures

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS and, where relevant, equivalent disclosures have been made in the consolidated financial statements of the parent company:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a Statement of Cash Flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the Statement of Comprehensive Income;
- comparative period reconciliations for the number of shares outstanding;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- disaggregated and total revenue from contracts with customers;
- explanation of significant changes in contract assets and liabilities;
- description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
- aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised;
- significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract;
- methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract.

The financial statements of the Company are consolidated within the financial statements of OSTC Group Holdings Limited where equivalent disclosures are provided. The financial statements are publicly available from Companies House and can be obtained from the registered office of the company at 2nd Floor, Imperial House, 21-25 North Street, Bromley, Kent, BR1 1SD.

Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and as a minimum for a period of at least 12 months from the date of approval of these financial statements, given the support available to the company from its ultimate parent, OSTC Group Holdings Limited.

Revenue

Revenue generated from the provision of bespoke training courses for clients on derivatives, financial markets and trading is recognised when performance obligations have been met.

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Intangible assets other than goodwill

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 3 years.

Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Foreign exchange

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

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

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

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the director, there are no sources of estimation uncertainty or critical judgements impacting amounts recognised in these financial statements.

3 Revenue

	2021	2020
	£	£
Revenue analysed by class of business		
Revenue from contracts with customers	693,951	339,439

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Revenue (Continued)

	2021 £	2020 £
Revenue analysed by geographical market		
United Kingdom	354,190	309,183
Europe	65,257	6,760
Rest of the world	274,504	23,496
	<u>693,951</u>	<u>339,439</u>

The company has a single reportable segment relating to provision of bespoke training courses for clients on derivatives, financial markets and trading.

4 Employees

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

	2021 Number	2020 Number
Total	<u>1</u>	<u>2</u>

The director, who is the only employee, is remunerated in another group entity and no recharge is made to the company (2020: no recharges).

5 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	66	924
Amortisation of intangible assets	<u>131,300</u>	<u>109,841</u>

6 Investment income

	2021 £	2020 £
Interest income		
Interest on bank deposits	<u>53</u>	<u>-</u>

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Taxation

	2021 £	2020 £
Current tax		
Group relief	-	(103,187)
Deferred tax		
Origination and reversal of temporary differences	(9,450)	-
Total tax (credit)	(9,450)	(103,187)

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

	2021 £	2020 £
Loss before taxation	(317,754)	(436,658)
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(60,373)	(82,965)
Effect of expenses not deductible in determining taxable profit	61	25
Group relief	-	(103,187)
Research and development tax credit	-	(20,247)
Other permanent differences	(661)	-
Group relief surrendered	-	103,187
Deferred tax recognised from prior periods	51,523	-
Taxation credit for the year	(9,450)	(103,187)

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. As this change was substantively enacted at the balance sheet date, deferred tax assets and liabilities are recognised at a rate of 25% in the current year.

8 Intangible fixed assets

	Development costs £
Cost	
At 31 December 2020	392,953
Additions - purchased	3,252
At 31 December 2021	396,205

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Intangible fixed assets

	Development costs £ (Continued)
Amortisation and impairment	
At 31 December 2020	109,841
Charge for the year	131,300
At 31 December 2021	241,141
Carrying amount	
At 31 December 2021	155,064
At 31 December 2020	283,112

9 Trade and other receivables

	2021 £	2020 £
Trade receivables	172,329	16,057
Other receivables	3,483	3,446
VAT recoverable	-	4,435
Amounts owed by fellow group undertakings	161,772	104,338
Prepayments and accrued income	2,364	5,956
	339,948	134,232

The directors consider that the carrying value of trade and other receivables approximates their fair value as the impact of discounting is not significant.

The Company calculates lifetime expected credit losses for trade receivables using a portfolio approach. Receivables are grouped based on the credit terms offered and the type of product sold. The probability of default is determined at the year-end based on the aging of the receivables and historical data about default rates on the same basis. That data is adjusted if the Company determines that historical data is not reflective of expected future conditions due to changes in the nature of its customers and how they are affected by external factors such as economic and market conditions.

No impairment loss provision has been recognised in respect of group or other receivables as there is no past history of impairment losses and future losses are not anticipated, therefore any provision would be immaterial.

10 Trade and other payables

	2021 £	2020 £
Trade payables	14,017	6,712
Amounts owed to fellow group undertakings	1,657,118	1,426,323
Accruals and deferred income	1,690	65,306
	1,672,825	1,498,341

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances	Tax losses	Other timing differences	Total
	£	£	£	£
Deferred tax liability at 1 January 2020 and 1 January 2021	-	-	-	-
Deferred tax movements in current year				
Credit to profit or loss	38,766	(37,403)	(10,813)	(9,450)
Deferred tax liability at 31 December 2021	38,766	-	-	38,766
Deferred tax asset at 31 December 2021	-	(37,403)	(10,813)	(48,216)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2021 £	2020 £
Deferred tax liabilities	38,766	-
Deferred tax assets	(48,216)	-
	(9,450)	-

12 Share capital

	2021 £	2020 £
Ordinary share capital		
<i>Issued and fully paid</i>		
1,000 A Ordinary Shares of 0.1p each	1	1
112 B Ordinary Shares of 0.1p each	-	-
	1	1

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

ZISHI CORNERSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Related party transactions

Other transactions with related parties

During the year the company entered into the following transactions with related parties:

	Costs recharged	
	2021	2020
	£	£
Other related parties	640,009	542,124

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due to related parties		
Entities with joint control or significant influence over the company	214,795	-
Other related parties	1,442,323	1,426,323
	<u>1,657,118</u>	<u>1,426,323</u>

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due from related parties		
Entities with joint control or significant influence over the company	-	49,477
Other related parties	161,772	54,861
	<u>161,772</u>	<u>104,338</u>

14 Controlling party

The immediate parent company and smallest group consolidating the results of the company is Zishi Group Limited a company registered in England and Wales.

The ultimate parent company and largest group consolidating the results of this company is OSTC Group Holdings Ltd. Accounts for OSTC Group Holdings Ltd are publicly available from Companies House and can be obtained from the registered office of the company at 2nd Floor, Imperial House, 21-25 North Street, Bromley, Kent, BR1 1SD.

In the opinion of the director, there is no single ultimate controlling party.