

Company registration number 11949137 (England and Wales)

24 EXCHANGE UK LIMITED

Annual report and unaudited financial statements

For the year ended 31 December 2022

24 EXCHANGE UK LIMITED

COMPANY INFORMATION

Directors	Mr D Galinov Mr M P Millward
Secretary	Oakwood Corporate Secretary Limited
Company number	11949137
Registered office	3rd Floor 1 Ashley Road Altrincham Cheshire England WA14 2DT
Accountants	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY

24 EXCHANGE UK LIMITED

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24 EXCHANGE UK LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2022

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

Principal activities

The principal activity of the company is to act as a service provider to its parent company 24 Exchange Bermuda Limited, seeking contracts for the multi-asset class, 24-hour trading platform.

Directors

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

Mr D Galinov
Mr M P Millward

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

DocuSigned by:

D879A0078BA442..

Mr M P Millward

Director

6/29/2023
Date:

24 EXCHANGE UK LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF 24 EXCHANGE UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of 24 Exchange UK Limited for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet and the related notes 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 <https://www.icaew.com/regulation>.

This report is made solely to the board of directors of 24 Exchange UK Limited, as a body, in accordance with the terms of our engagement letter dated 5 August 2019. Our work has been undertaken solely to prepare for your approval the financial statements of 24 Exchange UK Limited and state those matters that we have agreed to state to the board of directors of 24 Exchange UK Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 24 Exchange UK Limited and its board of directors as a body, for our work or for this report.

It is your duty to ensure that 24 Exchange UK 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 24 Exchange UK Limited. You consider that 24 Exchange UK Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of 24 Exchange UK 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.

WSM Advisors Limited

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Chartered Accountants

Connect House
133-137 Alexandra Road
Wimbledon
London
SW19 7JY

24 EXCHANGE UK LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2022**

	2022	2021
	£	£
Turnover	825,897	165,830
Administrative expenses	(803,531)	(166,691)
	<u>22,366</u>	<u>(861)</u>
Operating profit/(loss)	22,366	(861)
Interest payable and similar expenses	-	(4)
	<u>22,366</u>	<u>(865)</u>
Profit/(loss) before taxation	22,366	(865)
Tax on profit/(loss)	(3,590)	-
	<u>(3,590)</u>	<u>-</u>
Profit/(loss) for the financial year	<u>18,776</u>	<u>(865)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

24 EXCHANGE UK LIMITED**BALANCE SHEET****As at 31 December 2022**

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	3	20,873		27,411	
Cash at bank and in hand		12,453		2,528	
		<u>33,326</u>		<u>29,939</u>	
Creditors: amounts falling due within one year	4	<u>(18,020)</u>		<u>(33,409)</u>	
Net current assets/(liabilities)			<u>15,306</u>		<u>(3,470)</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			<u>15,305</u>		<u>(3,471)</u>
Total equity			<u>15,306</u>		<u>(3,470)</u>

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 6/29/2023 and are signed on its behalf by:

DocuSigned by:

D879A0078BA4442.....
 Mr M P Millward
Director

Company Registration No. 11949137

24 EXCHANGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 Accounting policies

Company information

24 Exchange UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, England, WA14 2DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business.

1.3 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

24 EXCHANGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Equity instruments

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

1.6 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 profit and loss account 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

24 EXCHANGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

1 Accounting policies (Continued)

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2022 Number	2021 Number
Total	4	1

3 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	-	18,721
Other debtors	20,873	8,690
	<u>20,873</u>	<u>27,411</u>

4 Creditors: amounts falling due within one year

	2022 £	2021 £
Corporation tax	3,590	-
Other taxation and social security	3,051	8,056
Other creditors	11,379	25,353
	<u>18,020</u>	<u>33,409</u>

24 EXCHANGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5 Related party transactions

Remuneration of key management personnel

Share options

The parent company has the option to grant shares to the employee of 24 Exchange UK Limited.

The following movements have occurred in the year to December 2022 in regards to share options for the employee:

- 563,342 options of common shares outstanding as at 31 December 2021
- 31,000 options of common shares were granted in the period
- 0 options of common shares were exercised in the period
- 594,342 option of common shares were outstanding at 31 December 2022

The unexercised options of common shares outstanding at 31 December 2022 was 594,342 (2021: 563,342).

The average price for shares exercised has been \$0.00 (2021: \$0.20).

The options outstanding at 31 December 2022 had an exercise price of \$0.20 and \$4.72 per share and a remaining contractual life of 8 years.

The total number of shares in issue in the parent company at 31 December 2022 were 21,366,428 (2021: 20,175,407).

Amounts owed to the Entity:

At 31 December 2022, the company owed its director £1,449 (31 December 2021: £2,723).

6 Parent company

The parent company of 24 Exchange UK Limited is 24X Bermuda Limited and its registered office is c/o Maples Corporate Services (Bermuda) Limited, Cumberland House, 7th Floor, 1 Victoria Street, Hamilton, HM11, BERMUDA.

The Ultimate controlling party is 24X Bermuda Holdings LLC.

24 EXCHANGE UK LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2022**

	2022	2021
	£	£
Turnover		
Fees received	825,897	165,830
Administrative expenses		
Wages and salaries	269,550	-
Social security costs	74,204	-
Staff pension costs defined contribution	9,244	-
Directors' remuneration	310,578	121,662
Directors' social security costs	5,224	15,429
Rent re licences and other	40,440	21,000
Equipment repairs	5,501	-
Computer running costs	905	-
Conference tickets	1,565	-
Travelling expenses	48,040	-
Legal and professional fees	9,067	823
Accountancy	6,451	6,854
Bank charges	1,383	923
Printing and stationery	118	-
Telecommunications	274	-
Entertaining	22,347	-
Sundry expenses	167	-
Profit or loss on foreign exchange	(1,527)	-
Administrative expenses	<u>(803,531)</u>	<u>(166,691)</u>
Operating profit/(loss)	22,366	(861)
Interest payable and similar expenses		
Interest payable - not financial liabilities	-	(4)
Profit/(loss) before taxation	<u><u>22,366</u></u>	<u><u>(865)</u></u>