
10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A P Jenkins T Holmes J C Larsen (appointed 27 April 2020) R Skitt (resigned 27 February 2020) S D Somani (appointed 12 May 2021) W Abecassis (appointed 12 May 2021)
Company secretary	R A Given
Registered number	10411015 (England and Wales)
Registered office	1st Floor 5 Howick Place London SW1P 1WG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Silicon Valley Bank Alphabeta 14-18 Finsbury Square London EC2A 1BR
Solicitors	DLA Piper UK LLP 160 Aldersgate Street London EC1A 4HT

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

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10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activities

The principal activities of the Company are unchanged from last year. 10x Future Technologies Holdings Limited (the "Company" is the holding company of a number of wholly owned subsidiaries (the "Group")):

- 10x Future Technologies Services Limited - provision of operating services to the rest of the Group;
- 10X Future Technologies IP Holding Limited - provision of services to the financial services industry;
- 10x Future Technologies Limited - accumulation of intellectual property and provision of services to the financial services industry;
- 10x Future Technologies UK Limited (dormant in 2020) - representing a holding company for 10x Future Technologies Pty Limited; and
- 10x Future Technologies Pty Limited - provision of services to the financial services industry in Australia, offering the Group's services to clients in that location.

During the year, 10x Future Technologies (London) Limited, which was a wholly owned subsidiary in 2019, commenced the process to be dissolved.

Review of business

The Group's turnover increased to £66.4m (2019: £54.6m). The loss for the Group in the financial year was £21.3m (2019: £2.8m). These results demonstrate a pivotal year for the Group in developing and further investing in its people, infrastructure and the 10x product suite, transitioning in the journey from a start-up to a fast-growing, multi-region banking software provider ready for the initial public launches of the Group clients.

Revenue increased, reflecting the continuation of the build-out of client requirements alongside newly generated recurring revenue from hosting live banking platforms for our foundational clients. Within the year, the Group continued to receive global interest in developing new strategic partnerships, including the completion of two successful proofs of concept with banks outside the UK.

This echoed the Group's expectation that the global COVID-19 pandemic would highlight the need for the financial services industry to combat customer delivery challenges through digital, cloud native technologies. The corresponding increase in operating costs of £100.0m (2019: £61.0m) represents a measured growth, in line with the Group's intention to support 10x's client public launches. The Group onboarded over 100 new experts to the 10x Team. This enabled the Group to leverage valuable insight at a critical time in product delivery in order to maximise client satisfaction and drive efficiencies.

Given the pandemic and lockdown restrictions, the Group's employees have all largely been working remotely and have been doing so since March 2020. Working away from the physical 10x offices has gone well, as it should for a company focused on using cloud native technology and being agile. While there are challenges and uncertainties amid the pandemic, the Group is leveraging digital tools and maintaining focus on business priorities, while working to help assist with staff welfare and wellbeing needs.

Revenue streams have not been significantly impacted by the pandemic in the year, and 10x continues to stay abreast of developments and government guidelines, keeping in close contact with both suppliers and clients. This is all reflected in the fact that 10x has not needed to take any government grants or support during the pandemic.

At the close of the year, net assets were £19.3m (2019: £40.3m) including £18.4m in cash (2019: £28.3m).

10x monitors revenue, operating costs, cash and net assets as key performance indicators.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments

The Group's plans for 2021 and beyond are focused on solidifying 10x's presence in the financial services industry as the Group continues its global expansion.

The Company will continue to act as a holding company and a vehicle for investors of the Group.

Based on the pipeline of activity, it is clear that the financial services industry, and retail banks in particular, are expanding their pursuit of new digital, cloud native technology solutions. In particular, the Group will see an increase in recurring revenue in 2021 as our foundational clients begin onboarding customers onto their live banking platforms.

Of particular importance to the Group's sustainability is the expansion of the Supercore product offering. The various markets that 10x appeals to are sizeable, unpenetrated and reflect increasing global demand. This provides the opportunity for the Group to continue to explore new global strategic partnerships and onboard new clients. Accordingly, there will be an increased investment in the 10x product offering throughout 2021.

To finance our growth expectations for 2021, 10x has closed a Series C fundraise in Q2 of 2021. The significant interest and support received throughout the fundraising process demonstrates a confidence in the Group's ability to become a successful global banking software provider. At the date of the accounts signing, significant funds have been raised through this process to allow the Group to continue as a going concern into the foreseeable future.

For these reasons, the Directors are confident that 10x will continue as a going concern for the foreseeable future being at least beyond 12 months from the date of this report.

Governance structure

The Board of Directors is responsible for the strategic direction of the business, and through 2020 was comprised of:

Executive Chair;
Chief Business Development Officer; and
Non-Executive Director.

On 27 February 2020, Rebecca Skitt resigned as Director and Chief Executive Officer of 10x. Antony Jenkins continues to lead the Group as Executive Chair and founder of the business, incorporating the role of CEO into his remit. On 27 April 2020, Jonathan Larsen, CEO of the Ping An Global Voyager Fund, joined the Board of Directors as a Non-Executive Director. On 12 May 2021, 10x appointed two further non-executive directors, Sanjiv Somani and William Abecassis.

During 2020, operational running of the business was supported by an Executive Committee which comprises:

- Executive Chair
- Chief Operating Officer;
- Chief Client Officer;
- Chief Product and Engineering Officer;
- Chief Information Security Officer;
- Chief Technology Officer;
- Chief People Officer;
- General Counsel/ Company Secretary; and
- Chief Business Development Officer.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Risk management framework

The Group has an enterprise-wide approach to governance, risk management and compliance, based on a "three lines of defence" model; which establishes the standards, objectives and responsibilities for all material sources of risk to which 10x may be exposed. The risks are systematically identified, recorded, assessed and managed, using bespoke relational database technology, under the following key risk areas:

- **Operational** - risks that our organisational structure is not optimal, we do not have sufficient governance arrangements to manage system failures, the resourcing and retention of competent staff, and management of supplier relationships;
- **Platform** - risks to our product life cycle from delivery through to scalability;
- **Information Security** – breach of confidentiality agreements;
- **Reputational** – risks to our brand owing from compliance, platform or security incidents;
- **Legal and compliance** – contractual and compliance risks with our suppliers and customers;
- **Financial** – relating to liquidity and capital risks, as well as the risks of non-compliance with laws and regulations or inaccurate forecasting or reporting; and
- **Business and Strategic** – relating to our positioning in the market and customer growth.

From a financial instrument perspective, we have considered the following risks as required under Companies Act Sch 7.6 (1):

- **Credit Risk** – Considered to be low for 10x due to the strong relationship with clients who have a vested interest in maintaining the liquidity of the firm, and a robust due diligence process in place;
- **Price Risk** – Managed through continual benchmarking exercises, and a working group which has been set up in order to ensure scalability as the Group grows; and
- **Liquidity and Cash-Flow Risk** – Robust cash-flow monitoring allows the group to maximise resources, ensuring it is always able to meet operational commitments. The Group have raised significant funds to date from our Series C fundraise, which further reduces this risk.

The Board of Directors defines the risk appetite for 10x and delegates management of the risk profile and the risk management framework to the Risk Management Committee.

The Risk Management Committee, is responsible for the establishment and ongoing effectiveness of the enterprise-wide risk and control framework; through consideration of risk policy, strategy and ensuring that there are appropriate systems and controls for identifying, assessing, mitigating, tracking and reporting risk.

10x is independently certified as compliant with ISO 27001:2013 and the AICPA, Trust Services Criteria: 2017 for Security and Availability (SOC2 Type 2).

Additionally, 10x has been independently assessed as being compliant with a range of applicable global control standards including ISO 27017: 2015, ISO27018: 2014 and ISO 22301:2020.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Human resources

Central to 10x's success is integrity and the way the Group conducts itself. 10x believes in doing things the right way and is committed to investing in its culture and empowering employees. Our focus on combining technology innovation with human innovation embodies our values of transformation, integrity and impact. While we are a technology business, 10x is a people company that wants to attract, train and retain the best talent, within a safe, innovative, diverse and respectful working environment.

In keeping with our values, 10x strives to make the world a better place through our work. During 2020, the Group continued to seek opportunities to have a positive impact, particularly for those less advantaged.

Voluntary and employee-led networks 10x established and was involved with during the year inside the company include the 10x Women's Network, the Black Professionals Group, and the 10x Pride LGBT+ Network. 10x's Impact and HR teams helped manage a series of employee-focused awareness raising webinars, anniversary events and speaker programmes during 2020. These included Black History Month, Islamophobia Awareness Month, Diwali, leadership and mental wellbeing and nutrition talks, and awareness training.

Networks 10xers was involved with externally include: Women on the Wharf, Women in Finance, Wagora - a network focused on connecting women in technology and Heart of the City. Further partnerships are planned for 2021.

Our external activities also included work experience programmes, mentoring, local community support, and virtual summer camps for students focused on supporting their career development.

In terms of charitable giving, 10x operates an Employee Matching Scheme to encourage both fundraising and time spent supporting charities. Charity events 10xers donated to last year spanned events and organisations such as an Australia bushfires fundraiser, Macmillan, Movember, Save the Children. More than £11,000 was raised for charities by 10xers and the business during 2020.

In the summer of 2020, 10x created an employee-led Culture Action Team and an Equality, Diversity and Inclusion Committee with volunteer members from across the business.

Gender Diversity as at 31 December 2020

Employee Type	Men	Woman
Directors	3	0
Executive Committee*	6	1
Senior Leadership Team	28	4
Other Employees	258	64
Total	267	67

*Note that two Directors also sit on the Executive Committee but have been excluded from these numbers as presented under the Directors line.

Further information on the split of employees by department can be found in Note 9 to the accounts.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Section 172(1) Statement - Directors' statement of compliance with duty to promote the success of the Company

The Directors of 10x are committed to operating the Group in a way that promotes the success of the Group for the shareholders as a whole. The Directors work closely with the 10x Executive Committee to shape both long-term and short-term strategies, recognising that there is a need to balance the continual investment in future growth with a necessity to remain liquid and operational. 10x has continued to invest in research and development and its people to leverage growth in future years and to deliver high-quality services to our clients. The 10x Executive Committee is committed to showing and demonstrating the culture valued by the Group, acknowledging the importance of communicating purpose and integrity throughout the entire organisation. 10x engages with its employees through regular open forums which allow the company to come together and discuss recent milestones, opportunities and challenges. During the period, the Group's leadership team strived to create an environment responsive to different cultures, groups and in all interactions with its people, partners, customers, visitors, suppliers and contractors across the communities 10x operates in. 10x recognises the importance of retaining staff members and has worked throughout 2020 to ensure that all employees feel that they are rewarded appropriately for their roles.

The Directors also work closely with the investors and clients, to keep them informed on performance and developments. Transparency is key for 10x and recognising the needs of our various stakeholders is a crucial factor that shapes our communications. Delivery is enhanced by individual client teams who are dedicated to promoting quality in our service. Similarly, 10x have a dedicated supplier management team that ensure high standards are maintained and industry best practices followed, recognising their importance in the delivery of our service and platform.

This report was approved by the board on 21 June 2021 and signed on its behalf.

Antony Jenkins

A P Jenkins
Director

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

Review of the business

Details of the review of business have been disclosed within the Strategic report on pages 1-5 and are included in this report by cross reference.

Results and dividends

The Company's profit for the financial year was £165,510 (2019: loss of £107,767). The net assets at the end of the financial year were £72.6m (2019: £72.2m). No dividends were paid during the financial year (2019: £Nil).

Donations

No donations for political purposes were made during the year, including EU political donations (2019: £Nil).

Research and development

The Group's research and development activities are primarily concentrated on the provision of creative design and technological services to the finance industry. The receipt of a £5.5m tax credit for research and development allowed 10x to expand the capabilities offered through the 10x Supercore platform and evidenced the progress made towards providing an innovative core banking solution. For the year-ended 31 December 2020, research and development costs of £16.6m (2019: £14.5m) have been incurred by the group with the principal projects undertaken continuing to be the development of a banking platform ecosystem facilitating the interoperability of all financial services.

Directors

Except as noted otherwise, the Directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

A P Jenkins
T Holmes
J C Larsen (appointed 27 April 2020)
R Skitt (resigned 27 February 2020)
S D Somani (appointed 12 May 2021)
W Abecassis (appointed 12 May 2021)

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Employees

At the core of 10x is ensuring that all employees and potential employees feel valued, empowered and that they have received equal opportunities and includes all employees who are either disabled or have become disabled while employed by the company. This commitment starts with the recruitment process where we give full and fair consideration to all applications for employment and which is managed and tracked through our recruitment system.

Various resources are at the disposal of all employees to ensure that they have the appropriate career development and promotion opportunities. During 2020, the Group introduced significant online resources to give all employees control of their learning and development and to encourage both work-based skills enhancement and personal development. In addition, we implemented our career and capability framework and launched the Workable recruitment system where all employees can apply for 10x roles.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Engagement with employees

The communication flow with employees has always been key for 10x to ensure that everyone is informed and has a full understanding of the 10x business. Utilising webex channels, the weekly all company briefing sessions, and a fortnightly POPP online magazine information is shared across the company on an ongoing basis.

The priority for the Group in 2020 has been to consider employee wellbeing, particularly in the remote working environment. In order to ensure there has been a connection to employees, Directors and the Executive Committee have conducted weekly virtual town halls. This can be used to engage employees with all areas of the business, including discussions on strategy and objectives and key results (OKRs). 10x has also conducted anonymous employee culture and engagement surveys in the year in order to provide the forum for employees to raise concerns and identify areas for improvements. The learning points from these surveys have been evaluated by the newly formed Culture Action Team (CAT) who are committed to promoting an open and honest culture within the business and actions have been embedded into our OKRs.

Environment

These disclosures have been made in accordance with the Streamlined Energy & Carbon Reporting guidelines. The data included covers the year ended 31 December 2020. There is no comparative figure as this is the first year that the Group has been subject to the SECR requirements.

The data covers the energy usage in the UK for 10x Future Technologies Limited only. All other entities are deemed outside the scope of the reporting requirements and are excluded from the figures provided.

UK Energy Consumption	Kg CO2e	Energy Usage (KwH)	Energy Usage (KwH) per employee (Annual Average)
Electricity (Scope 2)	17,913	76,833	293

Methodology

We have followed the guidance to the SECR in making these disclosures.

During the year, 10x Future Technologies Limited occupied one office based on London. This location is a managed service office where the facilities are managed by the leasing companies. The managed service team has a dedicated energy consultant who was able to provide the electricity consumption figures using the current DEFRA factors.

Energy efficient action taken

10x began remote working on 12th March 2020. During the year, there were periods where the office was open for limited access only, to a maximum of 30 employees in order to make the environment COVID-compliant.

The Group welcomes our legal responsibilities under the Environmental Protection Act 1990 and are committed to reducing the amount of waste and emissions produced by our activities. All users of the premises are encouraged to take an active part in our environmental initiatives. Energy efficiency is managed specifically by the managed service team running the office building.

Engagement with suppliers, customers and others in a business relationship with the company and future developments

Details of the Group's engagement with suppliers, customers and others in a business relationship with the company and future developments have been disclosed in the Strategic Report on pages 1-5 are included in this report by cross reference.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Qualifying third party indemnity provisions

No qualifying third party indemnity provisions for directors were in force during the financial year.

Disclosure of information to auditor

The Directors confirm that:

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

Post balance sheet events

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

Auditor

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

This report was approved by the board on 21 June 2021 and signed on its behalf.

Antony Jenkins

A P Jenkins
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

Opinion

We have audited the financial statements of 10x Future Technologies Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

Conclusions relating to going concern (continued)

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

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.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our general commercial and sector experience, discussions with management, inspection of the company's health and safety records and legal correspondence. We determined that the following laws and regulations were most significant in relation to these financial statements: FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to the management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and audit procedures relevant to the ensuring compliance with these frameworks.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - obtaining an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
 - held discussions with those outside the finance team including the entity's in-house legal representatives.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. None were noted.

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.

Grant Thornton UK LLP

Nicholas Watson BSc ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London Finsbury

21 June 2021

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	5	66,426,640	54,638,478
Gross profit		66,426,640	54,638,478
Administrative expenses		(100,007,327)	(61,012,099)
Other operating income	6	6,785,633	2,071,305
Operating loss		(26,795,054)	(4,302,316)
Interest receivable and similar income	11	1,763	6,937
Interest payable and similar expenses	12	-	(114,705)
Loss before tax		(26,793,291)	(4,410,084)
Tax credit	13	5,453,237	1,569,086
Loss for the financial year		(21,340,054)	(2,840,998)
Loss for the year attributable to:			
Owners of the parent		(21,340,054)	(2,840,998)
		(21,340,054)	(2,840,998)

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
Loss for the financial year	(21,340,054)	(2,840,998)
	<hr/>	<hr/>
Total comprehensive income for the year	(21,340,054)	(2,840,998)
	<hr/> <hr/>	<hr/> <hr/>
(Loss) for the year attributable to:		
Owners of the parent Company	(21,340,054)	(2,840,998)
	<hr/>	<hr/>
	(21,340,054)	(2,840,998)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED
REGISTERED NUMBER:10411015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	469,011	452,317
		<u>469,011</u>	<u>452,317</u>
Current assets			
Debtors: amounts falling due within one year	17	8,143,940	28,162,258
Cash at bank and in hand	18	18,357,845	28,325,044
		<u>26,501,785</u>	<u>56,487,302</u>
Creditors: amounts falling due within one year	19	(7,716,545)	(16,602,726)
Net current assets		<u>18,785,240</u>	<u>39,884,576</u>
Total assets less current liabilities		<u>19,254,251</u>	<u>40,336,893</u>
Capital and reserves			
Called up share capital	21	1,418,497	1,418,497
Share premium account	22	67,388,750	67,388,750
Profit and loss account	22	(49,552,996)	(28,470,354)
Shareholders' funds		<u>19,254,251</u>	<u>40,336,893</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2021.

Antony Jenkins

A P Jenkins
 Director

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED
REGISTERED NUMBER:10411015

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	16	9,798,041	9,553,189
		<u>9,798,041</u>	<u>9,553,189</u>
Current assets			
Debtors: amounts falling due within one year	17	62,320,644	50,142,514
Cash at bank and in hand	18	496,288	12,496,348
		<u>62,816,932</u>	<u>62,638,862</u>
Creditors: amounts falling due within one year	19	(2)	(2)
Net current assets		<u>62,816,930</u>	<u>62,638,860</u>
Total assets less current liabilities		<u><u>72,614,971</u></u>	<u><u>72,192,049</u></u>
Capital and reserves			
Called up share capital	21	1,418,497	1,418,497
Share premium account	22	67,388,750	67,388,750
Profit and loss account brought forward		3,384,802	3,233,630
Profit/(loss) for the year		165,510	(107,767)
Other changes in the profit and loss account		257,412	258,939
		<u>3,807,724</u>	<u>3,384,802</u>
Profit and loss account carried forward		<u>3,807,724</u>	<u>3,384,802</u>
Shareholders' funds		<u><u>72,614,971</u></u>	<u><u>72,192,049</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2021.

Antony Jenkins

A P Jenkins
 Director

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1,418,497	67,388,750	(28,470,354)	40,336,893
Comprehensive income for the year				
Loss for the year	-	-	(21,340,054)	(21,340,054)
Total comprehensive income for the year	-	-	(21,340,054)	(21,340,054)
Share based payment charge	-	-	257,412	257,412
At 31 December 2020	1,418,497	67,388,750	(49,552,996)	19,254,251

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Equity convers- ion reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	1,051,667	20,115,088	395,110	(25,888,295)	(4,326,430)
Comprehensive income for the year					
Loss for the year	-	-	-	(2,840,998)	(2,840,998)
Total comprehensive income for the year	-	-	-	(2,840,998)	(2,840,998)
Shares issue	366,830	46,878,552	-	-	47,245,382
Share based payment charge	-	-	-	258,939	258,939
Conversion transfer	-	395,110	(395,110)	-	-
At 31 December 2019	1,418,497	67,388,750	-	(28,470,354)	40,336,893

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	1,418,497	67,388,750	3,384,802	72,192,049
Comprehensive income for the year				
Profit for the year	-	-	165,510	165,510
Total comprehensive income for the year	-	-	165,510	165,510
Share based payment charge	-	-	257,412	257,412
At 31 December 2020	1,418,497	67,388,750	3,807,724	72,614,971

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Equity convers- ion reserve £	Profit and loss account £	Total equity £
At 1 January 2019	1,051,668	20,115,088	395,110	3,233,630	24,795,496
Comprehensive income for the year					
Loss for the year	-	-	-	(107,767)	(107,767)
Total comprehensive income for the year	-	-	-	(107,767)	(107,767)
Share issue	366,829	46,878,552	-	-	47,245,381
Share based payment charge	-	-	-	258,939	258,939
Conversion transfer	-	395,110	(395,110)	-	-
At 31 December 2019	1,418,497	67,388,750	-	3,384,802	72,192,049

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(21,340,054)	(2,840,998)
Adjustments for:		
Depreciation of tangible assets	465,808	275,653
Loss on disposal of fixed assets	12,205	-
Corporation tax receivable	(5,453,237)	(1,569,086)
Share based payments	257,412	258,939
Interest paid	-	114,705
Interest received	(1,763)	(6,937)
Taxation credit received	7,022,323	-
Decrease/(increase) in debtors	18,449,232	(24,214,800)
(Decrease) in creditors	(8,886,181)	(1,397,220)
Net cash generated from operating activities	(9,474,255)	(29,379,744)
Cash flows from investing activities		
Purchase of tangible fixed assets	(494,707)	(416,379)
Sale of tangible fixed assets	-	288
Interest received	1,763	6,937
Net cash from investing activities	(492,944)	(409,154)
Cash flows from financing activities		
Proceeds from issue of share capital	-	47,245,381
Interest paid	-	(114,705)
Net cash used in financing activities	-	47,130,676
Net (decrease)/increase in cash and cash equivalents	(9,967,199)	17,341,778
Cash and cash equivalents at beginning of year	28,325,044	10,983,266
Cash and cash equivalents at the end of year	18,357,845	28,325,044
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	18,357,845	28,325,044
	18,357,845	28,325,044

The notes on pages 22 to 38 form part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

10x Future Technologies Holdings Limited ("the company") is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information Page.

2. Statement of compliance

The group and individual financial statements of 10x Future Technologies Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of significant accounting policies

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

a. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements are presented in Sterling, which is the functional currency of the company.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The company has taken advantage of the exemption in Section 408 of the Companies Act from presenting its individual profit and loss account.

b. Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Review of Business and Future Developments paragraphs on pages 2-3.

The nature of the Group's external engagements relies on delivery against long term contracts for its clients. The operation of the Group to-date and in the near term is funded by revenue receivable under sub-contracts as well as from capital investment raised in the context of the Group's fundraising to-date.

The Directors remain committed to allocating the Group's available funds to support the future direction of the Company, taking into consideration the timing and size of any potential future capital and fund-raising transactions. The Directors are confident in the Group's ability to continue attracting additional capital and funds as and when appropriate in the Group's operations going forward.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

b. Going concern (continued)

The Group's ongoing revenue and cost expectations are set against the global backdrop of the COVID-19 pandemic. Revenue has continued to meet expectations since the onset of the pandemic. Additionally, there has been no significant reductions in productivity as a result of remote working. 10x continue to stay abreast of developments and government guidelines, keeping in close contact with both suppliers and clients.

Further, financial forecasts have been prepared covering a range of near and longer term scenarios, with and without future client acquisitions. The Directors are satisfied that the Company and the Group can meet their day-to-day cash flow requirements over the 12 month period from approval of this report and beyond. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Group has closed its Series C fundraise. At the date of the accounts signing, significant funds have been raised to allow the Group to continue as going concern into the foreseeable future.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The company has taken advantage of the following exemptions in its financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing related party transactions and balances with wholly owned group companies (FRS 102 paragraph 33.1 A);
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

d. Revenue recognition

Revenue represents the value of work performed for customers and is measured net of value added tax, other sales taxes and trade discounts.

Revenue from the sale of services, where the outcome can be estimated reliably, is recognised based on the extent to which the services have been performed. Revenue from long-term contracts is recognised on a straight-line basis over the contract term.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

e. Employee benefits

The Group provides a range of benefits to employees, including a defined contribution pension plan and an employee share option scheme. Benefits which give rise to contractual payments are expensed in the period in which they are incurred in accordance with the provisions of the contract.

i. Defined contribution pension plan

The group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

ii. Share-based payments

The group provides share-based payment arrangements to certain employees.

Equity settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period with a corresponding credit to equity.

The group has no cash-settled arrangements.

f. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

i. Current Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii. Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

g. Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and IT equipment	– 2 years
Furniture, fixtures & equipment	– 2-3 years
Leasehold improvements	– 1-3 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

h. Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payment under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

i. Investments in subsidiaries

Investment in a subsidiary company is held at cost less accumulated impairment losses.

j. Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

k. Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

k. Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

l. Called up share capital and share premium

Ordinary and preferred shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Details of the composition of each component of equity is shown within note 21.

4. Critical accounting judgements and estimation uncertainty

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.

a. Critical judgements in applying the Group's accounting policies

No critical judgements have been made in applying the Group's accounting policies.

b. Critical accounting estimates and assumptions

No critical accounting estimates and assumptions have been made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Turnover

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

	2020 £	2019 £
Platform income	66,426,640	54,638,478
	<u>66,426,640</u>	<u>54,638,478</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	6,558,250	23,003,157
Rest of the world	59,868,390	31,635,321
	<u>66,426,640</u>	<u>54,638,478</u>

6. Other operating income

	2020 £	2019 £
Other operating income	6,785,633	2,071,305

Other operating income relates to contracted expenses recharged directly to customers.

7. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of owned assets	465,808	275,652
Foreign exchange differences	12,173	(85,437)
Consultants & contractors	41,979,898	35,418,018
Operating lease charges	2,962,603	1,801,307
Share based payments	257,412	258,939

Included within the above operating loss are research and development costs of £16.6m (2019: £14.5m)

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>111,315</u>	<u>25,474</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	30,980	38,506
Other services relating to taxation	165,098	-
Financial statement preparation	<u>13,000</u>	<u>-</u>

9. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	28,378,086	9,507,303	-	-
Social security costs	3,393,158	1,208,677	-	-
Other pension costs	1,004,278	258,613	-	-
	<u>32,775,522</u>	<u>10,974,593</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Central	53	22
Product	122	33
Engineering	87	31
	<u>262</u>	<u>86</u>

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	566,609	1,116,000
Other pension costs	15,221	25,283
	<u>581,830</u>	<u>1,141,283</u>

During the year retirement benefits were accruing to 2 Directors (2019: 2) in respect of money purchase schemes.

The highest paid Director received remuneration of £300,000 (2019: £600,000).

The value of the company's contributions paid to a money purchase scheme in respect of the highest paid Director amounted to £11,070 (2019: £15,170).

11. Interest receivable

	2020 £	2019 £
Interest receivable and similar income	<u>1,763</u>	<u>6,937</u>

12. Interest payable and similar expenses

	2020 £	2019 £
Convertible bond interest	<u>-</u>	<u>114,705</u>

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Taxation

	2020	2019
	£	£
Corporation tax		
Adjustments to tax charge in respect of previous periods	(5,453,237)	(1,569,086)
	(5,453,237)	(1,569,086)
Total current tax	(5,453,237)	(1,569,086)
Deferred tax		
Total deferred tax	-	-
Taxation on loss on ordinary activities	(5,453,237)	(1,569,086)

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(26,793,291)</u>	<u>(4,410,084)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(5,090,725)	(837,916)
Effects of:		
Expenses not deductible for tax purposes	312,700	-
Other permanent differences	522	-
Difference in tax rates on foreign tax on expenses	(74,909)	-
Adjustments to tax charge in respect of previous periods	(5,453,237)	(1,569,086)
Remeasurement of deferred tax for changes in tax rates	(460,007)	-
Movement on unrecognised deferred tax asset	5,312,419	837,916
Total tax charge for the year	<u><u>(5,453,237)</u></u>	<u><u>(1,569,086)</u></u>

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 01 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the Statement of financial position date have been measured using these enacted tax rates and reflected in these financial statements.

The Group has unrecognised tax losses of approximately £47.2m (2019: £23.3m) to carry forward against future profits within the UK. The tax value of such losses amounted to £9.0m (2019: £4.0m). The UK tax losses have no expiry date.

14. Individual profit and loss account

As permitted by Section 408 of the Companies Act 2006, the profit and loss Account of the parent company is not presented as part of these financial statements.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Tangible fixed assets**Group**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	34,248	51,520	890,545	976,313
Additions	24,527	8,170	462,010	494,707
Disposals	-	(18,403)	(18,808)	(37,211)
At 31 December 2020	<u>58,775</u>	<u>41,287</u>	<u>1,333,747</u>	<u>1,433,809</u>
Depreciation				
At 1 January 2020	20,191	28,431	475,374	523,996
Charge for the year on owned assets	10,700	15,484	439,624	465,808
Disposals	-	(15,377)	(9,629)	(25,006)
At 31 December 2020	<u>30,891</u>	<u>28,538</u>	<u>905,369</u>	<u>964,798</u>
Net book value				
At 31 December 2020	<u>27,884</u>	<u>12,749</u>	<u>428,378</u>	<u>469,011</u>
At 31 December 2019	<u>14,057</u>	<u>23,089</u>	<u>415,171</u>	<u>452,317</u>

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Fixed asset investments**Company**

	Shares in group undertaking s £
Cost or valuation	
At 1 January 2020	9,553,189
Additions	257,412
Disposals	(12,560)
At 31 December 2020	<u>9,798,041</u>
Net book value	
At 31 December 2020	<u><u>9,798,041</u></u>
<i>At 31 December 2019</i>	<u><u>9,553,189</u></u>

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company: (All subsidiaries have been included within the consolidated results of the group)

Name	Registered office	Principal activity	Class of shares	Holding
10x Future Technologies Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Accumulation of intellectual property and provision of services to the financial services industry	Ordinary	100%
10x Future Technologies IP Holding Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Provision of services to the financial services industry	Ordinary	100%
10x Future Technologies (London) Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Provision of services to the financial services industry	Ordinary	100%
10x Future Technologies Services Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Provision of services to the rest of the Group	Ordinary	100%
10x Future Technologies UK Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Holding company	Ordinary	100%
10x Future Technologies Pty Limited*	C/O DLA Piper Australia, Level 22, No. 1 Martin Place, Sydney, NSW, 200, Australia	Provision of services to the financial services industry in Australia	Ordinary	100%

* 100% of the 10x Future Technologies Pty Limited is owned by 10x Future Technologies UK Limited.

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
10x Future Technologies Limited	(46,422,492)	(24,861,884)
10x Future Technologies IP Holding Limited	(80,115)	(62,455)
10x Future Technologies (London) Limited	1	(80)
10x Future Technologies Services Limited	4,052,553	4,697,051
10x Future Technologies UK Limited	1	1
10x Future Technologies Pty Limited	(1,099,728)	(668,089)

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	1,352,431	18,496,463	-	-
Amounts owed by group undertakings	-	-	62,320,644	50,142,514
Other debtors	794,319	935,782	-	-
Prepayments and accrued income	3,816,655	4,030,050	-	-
Tax	-	1,569,086	-	-
VAT	2,180,535	3,130,877	-	-
	<u>8,143,940</u>	<u>28,162,258</u>	<u>62,320,644</u>	<u>50,142,514</u>

18. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	18,357,845	28,325,044	496,288	12,496,348

19. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	3,500,666	9,042,222	-	-
Amounts owed to group undertakings	-	-	2	2
Other taxation and social security	1,347,910	646,857	-	-
Pension liability	204,877	71,689	-	-
Deferred income	214,426	5,996,757	-	-
Accrued expenses	2,448,666	845,201	-	-
	<u>7,716,545</u>	<u>16,602,726</u>	<u>2</u>	<u>2</u>

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Leasing agreements

Minimum lease payments relate to office leases and fall due as follows:

Group

	2020 £	2019 £
Non-cancellable operating leases		
Within one year	1,197,984	1,145,836
Within two to five years	642,725	-
	<u>1,840,709</u>	<u>1,145,836</u>

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
8,500,001 (2019: 8,500,001) Ordinary shares of £0.10 each	850,000	850,000
2,177,424 (2019: 2,177,424) Series A Preference shares of £0.10 each	217,743	217,743
3,507,544 (2019: 3,507,544) Series B1 Preferred shares of £0.10 each	350,754	350,754
	<u>1,418,497</u>	<u>1,418,497</u>

Shares have the following rights:

- Under a liquidation scenario surplus assets should be applied first to Series B, then Series A and then Ordinary Shareholders
- All shareholders have a vote for every share held (of all classes)

Warrant instruments

At year end there were 707,830 (2019: 707,830) warrant options in issue with a weighted average exercise price of £14.52 (2019: £14.52) these options are exercisable on the next share sale, asset sale, IPO or fundraising but require the cumulative revenue from date of issue to have exceeded £90m. The options allow the holder to participate in the most senior shares in issue at the point of exercise.

22. Reserves**Share premium account**

Amount subscribed for share capital in excess of nominal value

Profit and loss account

Includes all current & prior periods retained profit & losses.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	28,325,044	(9,967,199)	18,357,845
	<u>28,325,044</u>	<u>(9,967,199)</u>	<u>18,357,845</u>

24. Share based payments

During the year options were granted by 10x Future Technologies Holdings limited to certain employees/directors of 10x Future Technologies Services Limited in respect of ordinary shares in the holding company.

The options outstanding at the end of the year are made up of 829,725 granted during the Enterprise Management Incentive ("EMI") scheme and 648,275 non-EMI share options.

There are a number of vesting conditions principally relating to the achievement of various financial targets by the Company and contingent on the respective employees' / directors' position at the various vesting dates.

No options granted can be transferred, assigned, mortgaged or charged and options can only be exercised by option holders if they are still employees' / directors' of the Company. In that regard, a number of options were forfeited during the year.

	2020 Average Exercise Price 2020	2020 Number of options 2020	2019 Average Exercise Price 2019	2019 Number of options 2019
Outstanding at the beginning of the year	3.10	1,313,000	1.8	1,112,000
Granted during the year	15.89	173,000	9.5	283,000
Forfeited / lapsed during period	-10.00	(15,000)	-6.98	(82,000)
Outstanding at end of period	4.59	1,471,000	3.10	1,313,000
Exercisable at end of period	<u>1.62</u>	<u>996,200</u>	<u>0.62</u>	<u>910,400</u>

Shares have been valued with reference to the share price purchased during Series A and Series B funding, updated for each funding round. 10x Group does not believe that there has been any material increase in value or event that has not been reflected in the external price of preference shares sold to third parties. As the shares are not readily available on the open market, a discount has been applied to reflect lack of marketability. The total charge of the year is £257,412 (2019: £258,939)

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

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25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,004,278 (2019: £258,613). Contributions totalling £204,877 (2019: £71,689) were payable to the fund at the reporting date and are included in creditors.

26. Related party transactions

Group

During the year, there were no transactions with directors or key management personnel outside the transactions disclosed in note 10 relating to directors' remuneration compensation.

Company

The company has taken advantage of the exemption under paragraph 33.2 of Section 33.1A of FRS 102 from disclosing transactions between the wholly owned members of the same group.

27. Ultimate controlling party

The controlling party is A P Jenkins by virtue of his controlling interest in the parent company.