

REGISTERED NUMBER: 10411015 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
10X FUTURE TECHNOLOGIES HOLDINGS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2019

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10X FUTURE TECHNOLOGIES HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS: A P Jenkins
T Holmes
J C Larsen

SECRETARY: R A Given

REGISTERED OFFICE: 1st Floor
5 Howick Place
London
SW1P 1WG

REGISTERED NUMBER: 10411015 (England and Wales)

**SENIOR STATUTORY
AUDITOR:** David Holloway BA FCA DChA

AUDITORS: Ribchesters Group Limited
Registered Auditors
Finchale House
Belmont Business Park
Durham
DH1 1TW

BANKERS: Silicon Valley Bank
Alphabeta
14 - 18 Finsbury Square
London
EC2A 1BR

SOLICITORS: DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their Strategic Report on the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are unchanged since last year. 10x Future Technologies Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is the holding company of the group that also comprises a number of its wholly owned subsidiaries:

- o 10x Future Technologies Services Limited - provision of operating services to the rest of the Group;
- o 10x Future Technologies IP Holding Limited - provision of services to the financial services industry;
- o 10x Future Technologies Limited - accumulation of intellectual property and provision of services to the financial services industry;
- o 10x Future Technologies (London) Limited - provision of services to the financial services industry;
- o 10x Future Technologies UK Limited (dormant in 2019) - representing a holding company for 10x Future Technologies Pty Limited; and
- o 10x Future Technologies Pty Limited (incorporated in September 2019) - provision of services to the financial services industry in Australia, offering the Group's services to clients in that location.

REVIEW OF BUSINESS

The Group's turnover increased to £54.6m (2018: £18.6m). The loss for the Group in the financial year was £2.84m (2018: £20.9m). These results demonstrate the success of the Group's ongoing focus on generating controlled and sustainable growth as a technology business leveraging emerging technologies.

The Group continued its commitment to mobilise the delivery programme for its two foundation clients, significantly expanding the capabilities offered through the 10x Supercore platform. Following the announcement of the strategic partnership with Nationwide, the world's largest building society, at the close of 2018, their £15m investment in the Group occurred in March as part of a Series B funding in March 2019, supported by a mixture of existing and new investors.

In September, 10x welcomed Westpac Banking Corporation as a client who serves over 13 million customers globally, particularly across Australia and New Zealand; making the 10x Supercore platform a global offering. Thus 10x Future Technologies Pty Limited was incorporated in Australia in order to enhance the service provided.

Accordingly, operating costs increased to £61.0m (2018: £37.3m) reflecting the growth in the business' scale, geographical reach and client base. Additional investment was made in people as over 400 experts were onboarded in addition to developing the business' underlying operations and infrastructure. As part of this, 10x continued to invest in internal functional growth through enhancing existing feature teams, and building out dedicated Supplier Management and Governance, Risk Management and Compliance (GRC) Teams.

At the close of the year, net assets were £40.3m (2018: -£4.3m) including £28.3m in cash (2018: £10.98m).

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

FUTURE DEVELOPMENTS

The Group's plans for 2020 and beyond are focused on continuing its path of growth and sustainability; building on 10x's foundations to date to create an enterprise-grade, client-centric offering, approach and business.

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

Revenue for the Group is anticipated to increase further into 2020, reflecting the continuation of the build-out of client environments and the move to supporting our clients' delivery of live banking operations on their platforms. In addition, as part of future growth, 10x will consider how new global strategic partnerships can further elevate the 10x brand and the Group is actively pursuing a robust business pipeline of potential future clients globally.

The Group continues to develop and invest in the business across its people, infrastructure and the 10x product suite. The cost base will continue to increase with measured growth, reflecting the continuing maturation of the platform as well as the beginning of support for 10x's client public launches. 10x is building core functionality now in order to provide revenue benefits in the future. The business is actively pursuing and driving initiatives to provide rationalisation opportunities across the cost base, engaging with our top vendors to optimise our expenditure as well as push overall productivity and efficiency measures within the business.

The Group's 2020 revenue and cost expectations are set against the global backdrop of the COVID-19 pandemic. While the full impact and effect of the pandemic is uncertain, 10x believes that the financial services industry and banks in particular will continue to pursue new digital, cloud-native technology solutions to help them address their ongoing legacy cost and customer delivery challenges. 10x began working remotely from 12 March 2020, ahead of the national lockdown, leveraging the use of cloud based technology and process innovation to ensure that we do not compromise delivery to our clients whilst prioritising the safety of 10x's employees. There has been no significant reduction in productivity in the first two months of remote working. 10x continue to stay abreast of developments and government guidelines, keeping in close contact with both suppliers and clients.

For these reasons, the Directors are confident that 10x will continue as a going concern into 2021.

SECTION 172(1) STATEMENT

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 2019 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.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

GOVERNANCE STRUCTURE

The Board of Directors is responsible for the strategic direction of the business, and through 2019 was comprised of:

- o Executive Chair;
- o Chief Executive Officer; and
- o Chief Product Officer.

During 2019, operational running of the business was delegated to the CEO, who is supported on general matters by an Executive Committee which comprises:

- o Chief Executive Officer;
- o Chief Commercial Officer;
- o Chief Product Officer;
- o Chief Technology Officer;
- o Chief People Officer; and
- o General Counsel / Company Secretary.

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.

RISK MANAGEMENT FRAMEWORK

The Group has an enterprise-wide approach to governance, risk management and compliance; 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 under the following key risk areas:

- o Operational
- o Platform
- o Information Security
- o Reputational
- o Legal and compliance
- o Financial
- o Business and Strategic

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 and reporting risk.

10x is independently certified as compliant with PCI-DSS, ISO 27001:2013 and the AICPA, Trust Services Criteria: 2017 for Security and Availability.

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 22301:2019.

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.

ON BEHALF OF THE BOARD:



A P Jenkins - Director

3 / July 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The Group's loss for the financial year was £2.84m (2018: £20.9m). The net assets at the end of the financial year were £40.3m (2018: -£4.3m). No dividends were paid during the financial year (2018: £ 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. For the year-ended 31 December 2019, the principal projects undertaken continue to be the development of a banking platform ecosystem facilitating the interoperability of all financial services.

FUTURE DEVELOPMENTS

As described in note 3 to the financial statements under the section relating to going concern, at the date of approval of the financial statements 10x were operating in the context of the global COVID-19 pandemic, the full effect of which is unknown. However 10x believes that the financial services industry and banks in particular will continue to pursue new digital, cloud-native technology solutions to help them address their ongoing legacy cost and customer delivery challenges. 10x began working remotely from 12 March 2020, ahead of the national lockdown, leveraging the use of cloud based technology and process innovation to ensure that we do not compromise delivery to our clients whilst prioritising the safety of 10x's employees. To date there has been no significant reduction 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.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

A P Jenkins
T Holmes

Other changes in directors holding office are as follows:

J C Larsen was appointed as a director after 31 December 2019 but prior to the date of this report.

R Skitt ceased to be a director after 31 December 2019 but prior to the date of this report.

DONATIONS

No donations for political purposes were made during the year (2018: £nil).

STATEMENT OF ENGAGEMENT WITH SUPPLIERS, CUSTOMERS, AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE COMPANY

Details of the engagement with suppliers, customers and others in a business relationship with the company have been disclosed in the Strategic Report on page 2 are included in this report by cross reference.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the Directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- o make judgements and accounting estimates that are reasonable and prudent; and
- o prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS CONFIRMATION

In the case of each director in office at the date the Directors' report is approved:

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

AUDITORS

10x Group have appointed Grant Thornton as our auditors for the year ended 31 December 2020.

ON BEHALF OF THE BOARD:



A P Jenkins - Director

3/ July 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)**

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 2019 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company affairs as at 31 December 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 3 and note 18 to the financial statements.

Note 3 sets out the factors which the directors have taken into consideration when assessing the appropriateness of the going concern basis which has been used to prepare the consolidated financial statements. This note sets out the circumstances particular to this Group which will impact on Group financial performance.

Note 3 and note 18 provide detail as to the impact which the Covid-19 pandemic will have on this Group. At this stage the impact of this on the global economy and therefore on this Group remains uncertain.

The directors have prepared financial forecasts and have prepared an operational plan to work towards. This includes financial forecasts which detail the projected financial position and performance of the Group under different scenarios.

In that regard ISAs (UK) require us to report to you when:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt on the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date upon which the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, since not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue to as a going concern.

Our opinion is not modified in respect of this matter.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)**

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages five and six, 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 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.

Auditors' responsibilities for the audit of the financial statements

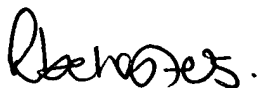
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)**

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 a Report of the Auditors 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.



David Holloway BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Ribchesters Group Limited

Registered Auditors

Finchale House

Belmont Business Park

Durham

DH1 1TW

Date: 6th July 2020

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER		54,638,478	18,607,512
Administrative expenses		<u>61,012,099</u>	<u>37,362,245</u>
		(6,373,621)	(18,754,733)
Other operating income		<u>2,071,305</u>	<u>247</u>
OPERATING LOSS	5	(4,302,316)	(18,754,486)
Interest receivable and similar income		<u>6,937</u>	<u>-</u>
		(4,295,379)	(18,754,486)
Interest payable and similar expenses	6	<u>114,705</u>	<u>280,407</u>
LOSS BEFORE TAXATION		(4,410,084)	(19,034,893)
Tax on loss	7	<u>(1,569,086)</u>	<u>1,873,735</u>
LOSS FOR THE FINANCIAL YEAR		<u>(2,840,998)</u>	<u>(20,908,628)</u>
Loss attributable to: Owners of the parent		<u>(2,840,998)</u>	<u>(20,908,628)</u>

The notes on pages 17 to 27 form part of these financial statements

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
LOSS FOR THE YEAR		(2,840,998)	(20,908,628)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(2,840,998)</u>	<u>(20,908,628)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(2,840,998)</u>	<u>(20,908,628)</u>

The notes on pages 17 to 27 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		452,317		311,878
Investments	11		-		-
			<u>452,317</u>		<u>311,878</u>
CURRENT ASSETS					
Debtors	12	28,162,258		2,378,372	
Cash at bank		<u>28,325,044</u>		<u>10,983,266</u>	
		56,487,302		13,361,638	
CREDITORS					
Amounts falling due within one year	13	<u>16,602,726</u>		<u>17,999,946</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>39,884,576</u>		<u>(4,638,308)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>40,336,893</u>		<u>(4,326,430)</u>
CAPITAL AND RESERVES					
Called up share capital	16		1,418,497		1,051,667
Share premium	17		67,388,750		20,115,088
Equity conversion reserve	17		-		395,110
Share based payment reserve	17		3,772,975		3,514,036
Retained earnings	17		<u>(32,243,329)</u>		<u>(29,402,331)</u>
SHAREHOLDERS' FUNDS			<u>40,336,893</u>		<u>(4,326,430)</u>

The financial statements were approved by the Board of Directors and authorised for issue on ³ July 2020 and were signed on its behalf by:



A P Jenkins - Director

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		<u>9,553,189</u>		<u>8,038,280</u>
			9,553,189		8,038,280
CURRENT ASSETS					
Debtors	12	50,142,514		21,142,514	
Cash at bank		<u>12,496,348</u>		<u>4,500,000</u>	
		62,638,862		25,642,514	
CREDITORS					
Amounts falling due within one year	13	<u>2</u>		<u>8,885,298</u>	
NET CURRENT ASSETS					
			<u>62,638,860</u>		<u>16,757,216</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>72,192,049</u>		<u>24,795,496</u>
CAPITAL AND RESERVES					
Called up share capital	16		1,418,497		1,051,668
Share premium	17		67,388,750		20,115,088
Equity conversion reserve	17		-		395,110
Share based payment reserve	17		3,772,975		3,514,036
Retained earnings	17		<u>(388,173)</u>		<u>(280,406)</u>
SHAREHOLDERS' FUNDS					
			<u>72,192,049</u>		<u>24,795,496</u>
Company's loss for the financial year					
			<u>(107,767)</u>		<u>(280,406)</u>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on ³ July 2020 and were signed on its behalf by:



A P Jenkins - Director

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

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2018	985,593	(8,493,703)	13,573,658
Changes in equity			
Issue of share capital	66,074	-	6,541,430
Total comprehensive income	-	(20,908,628)	-
Balance at 31 December 2018	<u>1,051,667</u>	<u>(29,402,331)</u>	<u>20,115,088</u>
Changes in equity			
Issue of share capital	366,830	-	47,273,662
Total comprehensive income	-	(2,840,998)	-
Balance at 31 December 2019	<u>1,418,497</u>	<u>(32,243,329)</u>	<u>67,388,750</u>
	Equity conversion reserve £	Share based payment reserve £	Total equity £
Balance at 1 January 2018	-	-	6,065,548
Changes in equity			
Issue of share capital	-	-	6,607,504
Total comprehensive income	-	-	(20,908,628)
Share based payment charge	-	3,514,036	3,514,036
Equity on conversion	395,110	-	395,110
Balance at 31 December 2018	<u>395,110</u>	<u>3,514,036</u>	<u>(4,326,430)</u>
Changes in equity			
Issue of share capital	-	-	47,640,492
Total comprehensive income	-	-	(2,840,998)
Share based payment charge	-	258,939	258,939
Conversion transfer	(395,110)	-	(395,110)
Balance at 31 December 2019	<u>-</u>	<u>3,772,975</u>	<u>40,336,893</u>

The notes on pages 17 to 27 form part of these financial statements

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)

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

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2018	985,593	-	13,573,658
Changes in equity			
Total comprehensive income	-	(280,406)	-
Issue of share capital	66,075	-	6,541,430
Balance at 31 December 2018	<u>1,051,668</u>	<u>(280,406)</u>	<u>20,115,088</u>
Changes in equity			
Total comprehensive income	-	(107,767)	-
Issue of share capital	366,829	-	47,273,662
Balance at 31 December 2019	<u>1,418,497</u>	<u>(388,173)</u>	<u>67,388,750</u>
	Equity conversion reserve £	Share based payment reserve £	Total equity £
Balance at 1 January 2018	-	-	14,559,251
Changes in equity			
Total comprehensive income	-	-	(280,406)
Issue of share capital	-	-	6,607,505
Share based payment charge	-	3,514,036	3,514,036
Equity on conversion	395,110	-	395,110
Balance at 31 December 2018	<u>395,110</u>	<u>3,514,036</u>	<u>24,795,496</u>
Changes in equity			
Total comprehensive income	-	-	(107,767)
Issue of share capital	-	-	47,640,491
Share based payment charge	-	258,939	258,939
Conversion transfer	(395,110)	-	(395,110)
Balance at 31 December 2019	<u>-</u>	<u>3,772,975</u>	<u>72,192,049</u>

The notes on pages 17 to 27 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	21	(29,379,744)	(3,346,386)
Interest paid		<u>(114,705)</u>	<u>(280,407)</u>
Net cash from operating activities		<u>(29,494,449)</u>	<u>(3,626,793)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(416,379)	(137,457)
Sale of tangible fixed assets		288	2,114
Interest received		<u>6,937</u>	<u>-</u>
Net cash from investing activities		<u>(409,154)</u>	<u>(135,343)</u>
Cash flows from financing activities			
Proceeds from issue of share capital		47,245,381	6,607,499
Payment of convertible debt		<u>-</u>	<u>395,110</u>
Net cash from financing activities		<u>47,245,381</u>	<u>7,002,609</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	22	17,341,778	3,240,473
		<u>10,983,266</u>	<u>7,742,793</u>
Cash and cash equivalents at end of year	22	<u><u>28,325,044</u></u>	<u><u>10,983,266</u></u>

The notes on pages 17 to 27 form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

10x Future Technologies Holdings Limited 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 consolidated financial statements of 10x Future Technologies Holdings Limited have been prepared in compliance with the 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. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies.

Turnover

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

Turnover 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.

Turnover from long-term contracts is recognised on a straight line basis over the contract term.

Goodwill

Goodwill represents the amount paid in connection with the acquisition of a business in 2016 and is being amortised evenly over the period of the revenue contract held by the company acquired, being 22 months.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Short leasehold	- straight line basis over term of lease
Fixtures and fittings	- at varying rates on cost
Computer equipment	- 50% on cost and 33% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES - continued

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 year end and that are expected to apply to the reversal of the timing difference.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The Group's business activities together with the 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 that existing current resources and client revenue streams will allow 10x to operate effectively into 2020 without relying on further capital raises. 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.

In the context of the above however the Group's ongoing revenue and cost expectations are set against the global backdrop of the COVID-19 pandemic. At the date of approval of the financial statements the full impact and effect of the pandemic is uncertain. However 10x believes that the financial services industry and banks in particular will continue to pursue new digital, cloud-native technology solutions to help them address their ongoing legacy cost and customer delivery challenges. 10x began working remotely from 12 March 2020, ahead of the national lockdown, leveraging the use of cloud based technology and process innovation to ensure that we do not compromise delivery to our clients whilst prioritising the safety of 10x's employees. To date there has been no significant reduction 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 fund-raising transactions as well as with and without future client acquisitions. In the light of all of the above the Directors are satisfied that the Company and the Group can meet their day-to-day cash flow requirements over the following 12 month period and beyond. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Share based payments

The company provides share based payment arrangements to certain employees.

Equity settled arrangements: Equity settled arrangements are measured at fair value (excluding the effect on non market based vesting conditions) at the date of the grant. The fair value is expensed on a straightline basis over the vesting period (using 6 monthly vesting period cycles as a basis of calculation) with a corresponding credit to reserves.

Cash settled arrangements: No cash settled share option arrangements were in place in the year (prior year; none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	9,507,303	6,052,879
Social security costs	1,208,677	762,927
Other pension costs	258,613	131,767
	<u>10,974,593</u>	<u>6,947,573</u>

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

	2019	2018
Programme	-	5
Central	22	33
Product	33	14
Engineering	31	-
	<u>86</u>	<u>52</u>

During the year a total of key management personnel compensation of £2,332,152 (2018: £937,649) was paid.

	2019	2018
	£	£
Directors' remuneration	1,116,000	825,000
Directors' pension contributions to money purchase schemes	25,283	17,045

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	600,000	450,000
Pension contributions to money purchase schemes	<u>15,170</u>	<u>11,613</u>

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	275,652	185,310
Loss on disposal of fixed assets	-	769
Goodwill amortisation	-	305,067
Auditors' remuneration	25,474	23,325
Auditors' remuneration for non audit work	38,506	13,532
Foreign exchange differences	(85,437)	1,665
Consultants & contractors	35,418,018	20,066,595
Operating lease charges	<u>1,801,307</u>	<u>1,776,571</u>

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019****6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Convertible bond interest	<u>114,705</u>	<u>280,407</u>

7. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	(1,569,086)	-
Deferred tax	<u>-</u>	<u>1,873,735</u>
Tax on loss	<u>(1,569,086)</u>	<u>1,873,735</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Loss before tax	<u>(4,410,084)</u>	<u>(19,034,893)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(837,916)	(3,616,630)
Effects of:		
Adjustments to tax charge in respect of previous periods	(1,569,086)	-
Movement on unrecognised deferred tax asset	837,916	3,616,630
Movement on recognised deferred tax asset	<u>-</u>	<u>1,873,735</u>
Total tax (credit)/charge	<u>(1,569,086)</u>	<u>1,873,735</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxation has historically been measured at these enacted tax rates and reflected in these financial statements. In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. Were deferred taxation to be recognised in the balance sheet at 31 December 2019 it would be recognised at the rate of 19%. No deferred tax asset or liability has been recognised at 31 December 2019 however.

8. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2019 and 31 December 2019	<u>958,781</u>
AMORTISATION	
At 1 January 2019 and 31 December 2019	<u>958,781</u>
NET BOOK VALUE	
At 31 December 2019	<u> -</u>
At 31 December 2018	<u> -</u>

10. TANGIBLE FIXED ASSETS

Group	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2019	34,248	42,957	483,508	560,713
Additions	-	8,563	407,816	416,379
Disposals	<u>-</u>	<u>-</u>	<u>(779)</u>	<u>(779)</u>
At 31 December 2019	<u>34,248</u>	<u>51,520</u>	<u>890,545</u>	<u>976,313</u>
DEPRECIATION				
At 1 January 2019	10,856	15,723	222,256	248,835
Charge for year	9,335	12,708	253,609	275,652
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(491)</u>	<u>(491)</u>
At 31 December 2019	<u>20,191</u>	<u>28,431</u>	<u>475,374</u>	<u>523,996</u>
NET BOOK VALUE				
At 31 December 2019	<u>14,057</u>	<u>23,089</u>	<u>415,171</u>	<u>452,317</u>
At 31 December 2018	<u>23,392</u>	<u>27,234</u>	<u>261,252</u>	<u>311,878</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 January 2019	8,038,280
Additions	<u>1,514,909</u>
At 31 December 2019	<u>9,553,189</u>
NET BOOK VALUE	
At 31 December 2019	<u>9,553,189</u>
At 31 December 2018	<u>8,038,280</u>

The Group or the Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

10x Future Technologies Limited

Registered office: 1st Floor, 5 Howick Place, London, SW1P 1WG

Nature of business: Creative design and technological services

Class of shares:	%	2019	2018
	holding	£	£
Ordinary	100.00		
Aggregate capital and reserves		(21,548,048)	(20,501,462)
Loss for the year		<u>(2,302,555)</u>	<u>(16,226,934)</u>

The investment in 10x Future Technologies Limited was acquired on 11 October 2016, with the value of the investment being £850,000.

10x Future Technologies IP Holding Limited

Registered office: 1st Floor, 5 Howick Place, London, SW1P 1WG

Nature of business: Leasing of intellectual property

Class of shares:	%	2019	2018
	holding	£	£
Ordinary	100.00		
Aggregate capital and reserves		(17,661)	(4,965)
Loss for the year		<u>(12,696)</u>	<u>(4,965)</u>

The investment in 10x Future Technologies IP Holding Limited was acquired on 21 April 2017, with the value of the investment being £0.10.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019****11. FIXED ASSET INVESTMENTS - continued****10x Future Technologies (London) Limited**

Registered office: 1st Floor, 5 Howick Place, London, SW1P 1WG

Nature of business: Creative design and technological services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		165,651	185,759
(Loss)/profit for the year		<u>(20,108)</u>	<u>185,758</u>

The investment in 10x Future Technologies (London) Limited was acquired on 19 March 2018, with the value of the investment being £1.00.

10x Future Technologies Services Limited

Registered office: 1st Floor, 5 Howick Place, London, SW1P 1WG

Nature of business: Creative design and technological services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		(901,910)	(762,977)
Loss for the year		<u>(397,872)</u>	<u>(4,277,014)</u>

The investment in 10x Future Technologies Services Limited was acquired on 19 March 2018, with the value of the investment being £1.00.

10x Future Technologies UK Limited

Registered office: 1st Floor, 5 Howick Place, London, SW1P 1WG

Nature of business: Creative design and technological services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

The investment in 10x Future Technologies UK Limited was acquired on 21 December 2018, with the value of the investment being £1.00.

10x Future Technologies Pty Limited

10x Future Technologies UK Limited acquired a 100% holding of the share capital of 10x Future Technologies Pty Limited (a company registered in Australia) on 2 September 2019 with the value of that investment being £1.00. At 31 December 2019 that company held aggregate capital and reserves of (negative)(£442,369) following a loss for the period to that date of £442,370.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	18,496,463	63,180	-	-
Amounts owed by group undertakings	-	-	50,142,514	21,142,514
Other debtors	935,782	564,561	-	-
Tax	1,569,086	-	-	-
VAT	3,130,877	860,500	-	-
Prepayments and accrued income	4,030,050	890,131	-	-
	<u>28,162,258</u>	<u>2,378,372</u>	<u>50,142,514</u>	<u>21,142,514</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	9,042,222	4,291,012	-	-
Amounts owed to group undertakings	-	-	2	2
Social security and other taxes	646,857	252,070	-	-
Pension liability	71,689	23,281	-	-
Convertible bond liability	-	8,885,296	-	8,885,296
Deferred income	5,996,757	3,259,259	-	-
Accrued expenses	845,201	1,289,028	-	-
	<u>16,602,726</u>	<u>17,999,946</u>	<u>2</u>	<u>8,885,298</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	1,145,836	901,485
Between one and five years	-	826,361
	<u>1,145,836</u>	<u>1,727,846</u>

15. SECURED DEBTS

Charge card accounts held with Silicon valley bank ("SVB") are subject to a legal charge covering all present and future obligations and liabilities to SVB. At 31 December 2019, there was no amount outstanding to SVB.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
8,500,001	Ordinary	10p	850,000	849,999
2,916,675	Series A Preference	10p	291,668	201,668
2,768,293	Series B1 Preferred	10p	<u>276,829</u>	<u>-</u>
			<u>1,418,497</u>	<u>1,051,667</u>

The following fully paid shares were allotted during the year at a premium as shown below:

900,000 Series A Preference shares of 10p each at £9.90 per share
2,768,293 Series B1 Preferred shares of 10p each at £10.35-11.51 per share

17. RESERVES

Group

	Retained earnings £	Share premium £	Equity conversion reserve £	Share based payment reserve £	Totals £
At 1 January 2019	(29,402,331)	20,115,088	395,110	3,514,036	(5,378,097)
Deficit for the year	(2,840,998)				(2,840,998)
Share issue	-	46,878,552	-	-	46,878,552
Conversion transfer	-	395,110	-	-	395,110
Share based payment charge	-	-	-	258,939	258,939
Conversion transfer	-	-	(395,110)	-	(395,110)
At 31 December 2019	<u>(32,243,329)</u>	<u>67,388,750</u>	<u>-</u>	<u>3,772,975</u>	<u>38,918,396</u>

Company

	Retained earnings £	Share premium £	Equity conversion reserve £	Share based payment reserve £	Totals £
At 1 January 2019	(280,406)	20,115,088	395,110	3,514,036	23,743,828
Deficit for the year	(107,767)				(107,767)
Share issue	-	46,878,552	-	-	46,878,552
Conversion transfer	-	395,110	-	-	395,110
Share based payment charge	-	-	-	258,939	258,939
Conversion transfer	-	-	(395,110)	-	(395,110)
At 31 December 2019	<u>(388,173)</u>	<u>67,388,750</u>	<u>-</u>	<u>3,772,975</u>	<u>70,773,552</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

18. POST BALANCE SHEET EVENTS

As described in note 3 to the financial statements under the section relating to going concern, at the date of approval of the financial statements 10x were operating in the context of the global COVID-19 pandemic, the full effect of which is unknown. However 10x believes that the financial services industry and banks in particular will continue to pursue new digital, cloud-native technology solutions to help them address their ongoing legacy cost and customer delivery challenges. 10x began working remotely from 12 March 2020, ahead of the national lockdown, leveraging the use of cloud based technology and process innovation to ensure that we do not compromise delivery to our clients whilst prioritising the safety of 10x's employees. To date there has been no significant reduction 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.

19. ULTIMATE CONTROLLING PARTY

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

20. SHARE-BASED PAYMENT TRANSACTIONS

EMPLOYEE SHARE OPTIONS

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 through the Enterprise Management Incentive ("EMI") Scheme and 515,275 non EMI share options.

There are a number of vesting conditions principally relating to 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 options holders if they are still employees/directors of the Company. In that regard a number of options were forfeited during the year.

The number of average exercise prices of share options are as follows.

	2019 Average exercise price £	2019 Number of options	2018 Average exercise price £	2018 Number of options
Outstanding at beginning of period	1.80	1,112,000	0.52	577,500
Granted during period	9.50	287,000	2.70	562,000
Forfeited/lapsed during period	(6.98)	(82,000)	(3.70)	(27,500)
Outstanding at end of period	<u>3.30</u>	<u>1,345,000</u>	<u>1.80</u>	<u>1,112,000</u>
Exercisable at end of period	<u>1.00</u>	<u>910,400</u>	<u>0.92</u>	<u>903,400</u>

The options outstanding at the end of the year have an exercise price in the range of £0.10 - £10.00 and a vesting period ranging from 1 May 2018 - 3 December 2021.

10X FUTURE TECHNOLOGIES HOLDINGS LIMITED (REGISTERED NUMBER: 10411015)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Loss before taxation	(4,410,084)	(19,034,893)
Depreciation charges	275,653	490,243
Loss on disposal of fixed assets	-	769
Share based payment charge	258,939	3,514,036
Finance costs	114,705	280,407
Finance income	<u>(6,937)</u>	<u>-</u>
	<u>(3,767,724)</u>	<u>(14,749,438)</u>
Increase in trade and other debtors	(24,214,800)	(1,049,201)
(Decrease)/increase in trade and other creditors	<u>(1,397,220)</u>	<u>12,452,253</u>
Cash generated from operations	<u><u>(29,379,744)</u></u>	<u><u>(3,346,386)</u></u>

22. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2019

	31.12.19 £	1.1.19 £
Cash and cash equivalents	<u>28,325,044</u>	<u>10,983,266</u>

Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	<u>10,983,266</u>	<u>7,742,793</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank	<u>10,983,266</u>	<u>17,341,778</u>	<u>28,325,044</u>
	<u>10,983,266</u>	<u>17,341,778</u>	<u>28,325,044</u>
Total	<u><u>10,983,266</u></u>	<u><u>17,341,778</u></u>	<u><u>28,325,044</u></u>