

Unaudited Financial Statements for the Year Ended 31 December 2022

for

Block Code Ltd

Haggards Crowther LLP
Chartered Accountants
2nd Floor, Heathmans House
19 Heathmans Road
London
SW6 4TJ

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for the Year Ended 31 December 2022

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Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Block Code Ltd

The following reproduces the text of the report prepared for the director in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Director are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Block Code Ltd for the year ended 31 December 2022 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

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

This report is made solely to the director of Block Code Ltd in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Block Code Ltd and state those matters that we have agreed to state to the director of Block Code Ltd in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Block Code Ltd and its director for our work or for this report.

It is your duty to ensure that Block Code Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Block Code Ltd. You consider that Block Code Ltd is exempt from the statutory audit requirement for the year.

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

Haggards Crowther LLP
Chartered Accountants
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SW6 4TJ

18 March 2024

Balance Sheet
31 December 2022

| | Notes | 31.12.22 £ | £ | 31.12.21 £ | £ |
|----------------------------------------------|-------|----------------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 4 | | 2,156,639 | | 1,577,103 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 211,458 | | 27,866 | |
| Cash at bank | | <u>75,699</u> | | <u>29,606</u> | |
| | | 287,157 | | 57,472 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | <u>448,531</u> | | <u>307,868</u> | |
| NET CURRENT LIABILITIES | | | <u>(161,374)</u> | | <u>(250,396)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,995,265</u> | | <u>1,326,707</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 7 | | 100 | | 100 |
| Retained earnings | 8 | | <u>1,995,165</u> | | <u>1,326,607</u> |
| SHAREHOLDERS' FUNDS | | | <u>1,995,265</u> | | <u>1,326,707</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 18 March 2024 and were signed by:

Mr D Daychopan - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Block Code Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number is 09674279 and its registered address is 2nd Floor, Heathmans House, 19 Heathmans Road, London, England, SW6 4TJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors there are no judgements or key sources of estimation uncertainty that affect the preparation of the financial statements.

Intangible cryptoassets

Intangible cryptoassets held for treasury purposes are classified as intangible assets. There is an active market for cryptoassets which are traded reliably on an exchange with an expectation the company will receive an inflow of economic benefits. The measurement of cryptoasset held is carried out at fair market value using a Revaluation model. Revaluation gains and losses are recognised in the profit and loss account and accumulated in a non-distributable reserve.

Turnover

Turnover is stated net of VAT. Turnover represents the total value of sales generated from both cryptocurrency sales and fees charged to customers for accessing the platform, which enables them to maintain debit cards issued by the company. Turnover is net of any transaction fees, commissions, or other directly attributable costs. Turnover from cryptocurrency trading is recognised at the point of sale when the transaction is completed on third party crypto exchanges, and ownership of the crypto asset is transferred. Payments received from customers in advance of services being provided for platform fees associated with the debit card service, are recorded as Deferred Income. These amounts are included as part of Creditors due within one year.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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 balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2021 - 8) .

4. INTANGIBLE FIXED ASSETS

| | Cryptoasset £ |
|--------------------------|------------------|
| COST OR VALUATION | |
| At 1 January 2022 | 1,577,103 |
| Revaluations | <u>579,536</u> |
| At 31 December 2022 | <u>2,156,639</u> |
| NET BOOK VALUE | |
| At 31 December 2022 | <u>2,156,639</u> |
| At 31 December 2021 | <u>1,577,103</u> |

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.22 | 31.12.21 |
|---------------|----------------|---------------|
| | £ | £ |
| Other debtors | <u>211,458</u> | <u>27,866</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.22 | 31.12.21 |
|------------------------------|-----------------|-----------------|
| | £ | £ |
| Trade creditors | - | 855 |
| Taxation and social security | 189,396 | 122,479 |
| Other creditors | 259,135 | 184,534 |
| | <u>448,531</u> | <u>307,868</u> |

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.12.22 | 31.12.21 |
|----------------|---------------|-----------------------|-----------------|-----------------|
| | | | £ | £ |
| 10,000 | Ordinary | 0.01 | <u>100</u> | <u>100</u> |

8. RESERVES

| | Retained earnings |
|---------------------|--------------------------|
| | £ |
| At 1 January 2022 | 1,326,607 |
| Profit for the year | 668,558 |
| At 31 December 2022 | <u>1,995,165</u> |

9. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

Included in the Other creditors balance is an amount owed by the company to the director of £188,853 (2021:£164,543). The balance is unsecured, not subject to interest, and payable on demand. Throughout the year, a salary amounting to £46,498 was credited to the director's loan account, with a total withdrawal of funds during the year amounting to £22,188.

10. RELATED PARTY DISCLOSURES

Included in Other debtors balance, an amount of £120,670 is owed by Block Code LT UAB, a company incorporated in Lithuania and under the control of Mr J Tay, who is a shareholder and a member of the key management personnel as defined by the FRS 102 provisions.

Included in Other debtors balance, an amount of £34,735 is owed by Block Code Europe Unipessoal LDA, a company incorporated in Portugal and under the control of Mr J Tay, who is a shareholder and a member of the key management personnel as defined by the FRS 102 provisions.

11. ULTIMATE CONTROLLING PARTY

The company was under the control of Mr Danial Daychopan throughout the current and previous period. Mr Danial Daychopan is the sole director and majority shareholder.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.