

Registered number: 11262659

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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THURSDAY



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25/08/2022  
COMPANIES HOUSE

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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**COMPANY INFORMATION**

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**Directors** A P Jenkins  
T Holmes (resigned 28 June 2021)  
C J Hess (appointed 28 June 2021)

**Company secretary** R A Given

**Registered number** 11262659

**Registered office** 1st Floor  
5 Howick Place  
London  
SW1P 1WG

**Accountants** Grant Thornton UK LLP  
Chartered Accountants  
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

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 3
<b>Directors' Report</b>	4 - 6
<b>Profit and Loss Account</b>	7
<b>Statement of Comprehensive Income</b>	7
<b>Balance Sheet</b>	8 - 9
<b>Statement of Changes in Equity</b>	10 - 11
<b>Notes to the Financial Statements</b>	12 - 22

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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their Strategic Report on the company for the year ended 31 December 2021.

#### Introduction

The principal activities of the Company are unchanged from last year. 10x Banking Technology Services Limited provides services to the financial services industry on behalf of the Group. The review of business has been included in the Directors Report

#### Principal risks and uncertainties

The Company operates within the 10x group. Detailed analysis of the risks and uncertainties faced by the group as a whole are set out below:

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

- Business and Strategic – risk of failure of business model;
- Client – risk of failure to achieve growth targets, failure to comply with obligations as set out in client contracts or not pricing our products competitively;
- Marketing – risks that arise from unclear / inaccurate marketing or communications to our customers and stakeholders;
- Platform - risks from software development not meeting the functional requirements (market or existing clients), delivery to timeline and budget, to software release potentially introducing defects / vulnerabilities;
- Engineering – risk of platform stability and reliability, risk of inability to scale platform to support the requirements of existing or new clients;
- Information Security – risk of client and / or customer information may be compromised or lost due to a security breach;
- Data – risk that 10x fails to comply with its obligation under privacy legislation;
- People – risk to not being able to attract and retain people with the right skills, capability, experience, including market salary inflation;
- Operational - risks that our organisational structure or governance is not optimal, and risks arising from third-parties;
- 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

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 review exercises, and a pricing working group to ensure control and effectiveness of pricing models; 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 (RMC), supports the Board Risk & Audit Committee and acts as the steering group for enterprise risk management. The RMC is responsible for:

- setting the absolute commitment of 10x to effective risk management;
- ensuring that key risks are properly assessed and managed;

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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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- providing direction and receiving assurance on the effectiveness of risk management;
- assigns an Executive Owner to take charge of monitoring and managing each risk category through regular detailed reviews.

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.:

#### Financial key performance indicators

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

#### Human resources

Central to 10x's being as an organisation is a belief in doing things in the right manner, and acting with integrity. We of course want to attract, develop and retain the brightest minds in our sector – but we try to do this in the right way – and make a meaningful impact on society more broadly. Our Human Resources & Impact teams work in partnership to ensure this.

At the core of our Impact agenda are the following three pillars: People, Community and Planet. From a People perspective, 10x were keen to promote discussion on societal issues with an inquisitive and open mindset, which included a deep dive on areas such as Black History Month and Mental Health awareness

Our Equality, Diversity and Inclusion Committee has endeavoured to create an inclusive environment for all 10xers, and in year we continued to support and promote internal groups including our Pride Network, Black Professionals Group and 10x Women and Friends. Our commitment has been evidenced in 10x being nominated for an award in Diversity in Technology at the European Diversity Awards in 2021, In January 2022, it was also announced that 10x were nominated for two awards at the 2022 British Diversity Awards: Diversity Team of the Year and Diversity in Technology.

10x operates an Employee Matching Scheme to encourage both fundraising and time supporting charities. Charity events 10xers donated to last year spanned events and organisations such as Macmillan, Movember, Children's Book Project and Save the Children.

Of crucial importance to 10x is the desire to create partnerships within the community in order to share valuable skills and knowledge. Our support includes, but is not limited to, Women on the Wharf, Women in Finance, Heart of the City and She Can Code. In the young careers space, 10x provides opportunities to all in the community, including supporting work experience programmes, internships and apprenticeships.

**Table 1 – Gender Diversity as at 31 December 2021**

<u>Employee Type</u>	<u>Men</u>	<u>Women</u>
Directors	3	0
Executive Committee*	8	3
Other Employees	276	88
Total	287	91

\*Note that the 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.

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 Company in a way that promotes the success of the Company 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 Company, 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 Company'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 2021 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 4 May 2022 and signed on its behalf.

Decoupled by:  
  
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A P Jenkins  
Director

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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### Principal activity

The principal activity of the Company in the year under review was that of provision of technological services to the finance industry.

#### Business review

10x Banking Technology Services Limited (the "Company") is a wholly owned subsidiary of 10x Banking Technology Holdings Limited (together with its subsidiaries, the "Group").

The principal focus of the Company during 2021 was the provision of operating services to the rest of the Group.

#### Results and dividends

The Company generated turnover of £78,739,898 (2020: £90,346,930)

The profit for the year, after taxation, amounted to £3,055,142 (2020 - £4,697,051).

The Company had net assets as at 31 December 2021 of £8,294,725 (2020: £4,052,553).

No dividends were paid during the financial year (2020: £Nil).

These results demonstrate a pivotal year for the Company in developing and further investing in its infrastructure and the 10x product suite, transitioning in the journey from a start-up to a fast-growing, multi-region banking software provider with two live clients.

#### Directors

The Directors who served during the year were:

A P Jenkins

T Holmes (resigned 28 June 2021)

C J Hess (appointed 28 June 2021)

#### Political contributions

No donations for political purposes were made during the year (2020: Nil).

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## **10X BANKING TECHNOLOGY SERVICES LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Future developments**

The Company will continue to act as a services management company to provide operating services to the rest of the Group.

#### **Going Concern**

The Directors are committed to ensuring that the Company has continued access to necessary cash and funding resources of the Group to support the Company's activities and are confident in the Company's ability to continue as a going concern.

10x Banking Technology Services Limited is a subsidiary of 10x Banking Technology Holdings Limited. As part of the going concern assessment performed on this entity, a letter of support has been received from the parent company which will provide support for a period of at least 12 months from date of approval of this report.

Additionally, 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 while 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.

Based on the above the directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

#### **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. 10x has an all company Town Hall session on a weekly basis, and this is normally replicated on a smaller basis among the 3 main departments within the business; Product & Engineering, Client, Operations.

The Group runs bi-annual employee engagement surveys to gauge engagement on a deeper level, and will then communicate a list of actions to employees as follow ups. We will also ascertain engagement themes on a much more regular basis via our network of employee led action groups including our Equality, Diversity and Inclusion Committee, Black Professionals Group, Pride Network and 10x Women and Friends.

#### **Engagement with suppliers, customers and others**

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

#### **Qualifying third party indemnity provisions**

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

#### **Post balance sheet events**

No material post balance sheet events have occurred.



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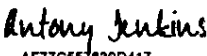
**10X BANKING TECHNOLOGY SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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*This report was approved by the board on 4 May 2022 and signed on its behalf.*

DocuSigned by:  
  
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**A P Jenkins**  
Director

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £	2020 £
Turnover	5	78,739,897	90,346,930
<b>Gross profit</b>		<b>78,739,897</b>	<b>90,346,930</b>
Administrative expenses		(75,684,755)	(85,675,317)
Other operating income	6	-	25,438
<b>Operating profit</b>	7	<b>3,055,142</b>	<b>4,697,051</b>
<b>Profit for the financial year</b>		<b>3,055,142</b>	<b>4,697,051</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 12 to 22 form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £	2020 £
Profit for the financial year		3,055,142	4,697,051
<b>Total comprehensive income for the year</b>		<b>3,055,142</b>	<b>4,697,051</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 12 to 22 form part of these financial statements.

**10X BANKING TECHNOLOGY SERVICES LIMITED**  
**REGISTERED NUMBER:11262659**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

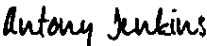
	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	240,110	429,372
		<u>240,110</u>	<u>429,372</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	18,005,858	56,157,579
Cash at bank and in hand	13	7,131,044	2,170,715
		<u>25,136,902</u>	<u>58,328,294</u>
Creditors: amounts falling due within one year	14	(17,082,288)	(54,705,113)
<b>Net current assets</b>		<u>8,054,614</u>	<u>3,623,181</u>
<b>Total assets less current liabilities</b>		<u>8,294,724</u>	<u>4,052,553</u>
<b>Net assets</b>		<u>8,294,724</u>	<u>4,052,553</u>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Profit and loss account	16	8,294,723	4,052,552
		<u>8,294,724</u>	<u>4,052,553</u>

The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 May 2022.

DocuSigned by:  
  
 AF77C557839D417...  
**A P Jenkins**  
 Director

The notes on pages 12 to 22 form part of these financial statements.

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1	4,052,552	4,052,553
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,055,142	3,055,142
Share based payment charge	-	1,187,029	1,187,029
<b>Total comprehensive income for the year</b>	-	4,242,171	4,242,171
<b>At 31 December 2021</b>	<b>1</b>	<b>8,294,723</b>	<b>8,294,724</b>

The notes on pages 12 to 22 form part of these financial statements.

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1	(901,911)	(901,910)
<b>Comprehensive income for the year</b>			
Profit for the year	-	4,697,051	4,697,051
Share based payment charge	-	257,412	257,412
<b>Total comprehensive income for the year</b>	-	4,954,463	4,954,463
<b>At 31 December 2020</b>	<b>1</b>	<b>4,052,552</b>	<b>4,052,553</b>

The notes on pages 12 to 22 form part of these financial statements.

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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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

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#### 1. General information

10x Banking Technology Services 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 financial statements of 10x Banking Technology Services 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 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 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 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.

##### b. Going concern

10x Banking Technology Services Limited is a subsidiary of 10x Banking Technology Holdings Limited. As part of the going concern assessment performed on this entity, a letter of support has been received from the parent company. Accordingly, going concern is considered on a group basis.

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 of the consolidated Financial statements of 10x Banking Technology Holdings Limited.

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 Company's fundraising todate.

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 fundraising 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.

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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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

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#### **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 in 2021 and accordingly, 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;
- 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 of the ultimate parent undertaking 10x Future Technologies Holdings Limited;
- 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.

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**10X BANKING TECHNOLOGY SERVICES LIMITED**

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

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**e. Employee benefits**

The Company provides a range of benefits to employees, including a defined contribution pension plan and an employee share option scheme.

*i. Defined contribution pension plan*

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

*ii. Share-based payments*

The Company 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 reserves.

The Company 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.



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## 10X BANKING TECHNOLOGY SERVICES LIMITED

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

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#### **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. Cash and cash equivalents**

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

#### **j. Related party transactions**

The Company 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 Company financial statements.

#### **k. Financial instruments**

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

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.

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**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 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.

**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 Company's accounting policies**

*No critical judgements have been made in applying the Company'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.

**5. Turnover**

	2021 £	2020 £
Management fee income	78,739,897	90,346,930
	<u>78,739,897</u>	<u>90,346,930</u>

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**6. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other operating income	-	25,438
	<u>-</u>	<u>25,438</u>

**7. Operating profit**

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>423,675</b>	443,151
Consultants and contractors	<b>15,805,065</b>	39,727,210
Loss on disposal of tangible fixed assets	<b>39,918</b>	4,624
Exchange differences	<b>53,712</b>	5,141
Other operating lease rentals	<b>84,331</b>	877,571
Share based payment	<b>1,187,029</b>	257,412

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**8. Employees**

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

	2021 £	2020 £
Wages and salaries	38,598,783	27,085,670
Social security costs	4,715,571	3,350,797
Cost of defined contribution scheme	1,711,490	895,753
	<u>45,025,844</u>	<u>31,332,220</u>

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

	2021 No.	2020 No.
Central	55	48
Client	19	13
Product & Engineering	286	190
	<u>360</u>	<u>251</u>

**9. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	748,467	566,609
Company contributions to defined contribution pension schemes	6,676	15,221
	<u>755,143</u>	<u>581,830</u>

During the year retirement benefits were accruing to 1 Director (2020 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £386,142 (2020 - £300,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2020 - £11,070).

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**10. Taxation**

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020. The Company has utilised its carried forward tax losses to set off against the current year profit. At year end the Company has £0m (2020: £0m) in unrecognised UK tax losses carried forward with a tax value of £0m (2020: £0m). UK tax losses have no expiry date.

**11. Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	52,533	31,132	1,132,396	1,216,061
Additions	-	654	275,922	276,576
Disposals	-	(1,162)	(41,002)	(42,164)
At 31 December 2021	52,533	30,624	1,367,316	1,450,473
<b>Depreciation</b>				
At 1 January 2021	24,650	18,383	743,658	786,691
Charge for the year on owned assets	19,408	7,952	396,312	423,672
At 31 December 2021	44,058	26,335	1,139,970	1,210,363
<b>Net book value</b>				
At 31 December 2021	8,475	4,289	227,346	240,110
At 31 December 2020	27,884	12,749	388,739	429,372

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**12. Debtors**

	2021 £	2020 £
Trade debtors	7,020	-
Amounts owed by group undertakings	14,206,633	51,460,695
Other debtors	22,154	161,659
Prepayments	2,999,743	2,354,690
VAT	770,308	2,180,535
	<u>18,005,858</u>	<u>56,157,579</u>

An impairment loss of £Nil (2020: £Nil) was recognised against trade debtors.

**13. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	7,131,044	2,170,715
	<u>7,131,044</u>	<u>2,170,715</u>

**14. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	1,373,631	2,801,937
Amounts owed to group undertakings	11,426,789	48,350,123
Other taxation and social security	1,670,157	1,383,279
Pension liability	604	204,877
Accrued expenses	2,611,107	1,964,897
	<u>17,082,288</u>	<u>54,705,113</u>

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**15. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
10 (2020 - 10) Ordinary shares of £0.10 each	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**16. Reserves****Profit and loss account**

Includes all current & prior periods retained profits & losses.

**17. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,711,490 (2020: £895,753). Contributions totalling £604 (2020: £204,877) were payable to the fund at the reporting date and are included in creditors.

**18. Commitments under operating leases**

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

**19. Related party transactions**

The ultimate parent undertaking is 10x Banking Technology Holdings Limited. The address of the registered office is 1st Floor, 5 Howick Place, London, SW1P 1WG where consolidated Group financial statements can be obtained.

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.

**20. Controlling party**

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

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**10X BANKING TECHNOLOGY SERVICES LIMITED**


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


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**21. Share based payment transactions**

During the year options were granted by 10x Banking Technologies Holdings limited to certain employees/directors of 10x Banking 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 908,049 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.

The number of average exercised prices of share options are as follows:

	<b>2021 Average Exercise Price</b>	<b>2021 Number of options</b>	<b>2020 Average Exercise Price</b>	<b>2020 Number of options</b>
Outstanding at beginning of period	4.59	1,471,000	3.10	1,313,000
Granted during period	26.95	274,532	15.89	173,000
Forfeited / lapsed during period	-12.85	-26,000	-10.00	(15,000)
Outstanding at end of period	16.05	1,737,774	4.59	1,471,000
Exercisable at end of period	16.05	1,324,217	1.62	996,200

Shares have been valued using the Black Scholes Model. 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 £1,187,029 (2020: £257,412)