

Company Registration No. 05011189 (England and Wales)

XBN LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

verallo

Century House
Wargrave Road
Henley-on-Thames
Oxfordshire
RG9 2LT

XBN LIMITED

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XBN LIMITED

COMPANY INFORMATION

Director	Mr. R. Crane
Secretary	Mr. J. Foster
Company number	05011189
Registered office	Brigade House 8 Parsons Green London SW6 4TN
Auditor	Verallo (formerly Taylorcocks Thames Valley LLP) Century House Wargrave Road Henley-on-Thames Oxfordshire RG9 2LT

XBN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents the strategic report for the year ended 31 December 2020.

Business Overview

XBN Limited is a non-trading subsidiary.

The company received rent from sub-letting its London lease up until July 2020, when the lease break clause was exercised. The company incurs minor administration costs and has produced a minor operating loss for the year, see the profit and loss account on page 10.

The Company accrues interest at a commercial rate on its local other Group Companies, and this has created an overall profit for the year, see the profit and loss account on page 10.

Financial Overview

The company reviews the carrying values of loans to and investments in associated businesses and subsidiaries in producing the balance sheet, The Board have assessed that there is no need to make provisions as at 31 December 2020 but in accordance with the accounting policies a review will be carried out each year.

Key Risks and Uncertainties

Given the nature of the business for the time being, the Company does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk.

The wider Group prepares working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the Company, to manage liquidity risk. The director has considered the risk posed by liquidity and are satisfied that there is sufficient cash resources and equity in the Company.

Going Concern

After making appropriate enquiries, the Director has considered that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Director continues to adopt the going concern basis in preparing the financial statements. This is reflected in note 1 to the financial statements.

Outlook

The specific outlook for XBN Limited is that it is a subsidiary with 13% minority shareholders within the Fifty Four Four Limited wider group. The aim for future is to continue to simplify the operations and reduce costs to avoid the erosion of company value due to any losses.

XBN Limited is dependent on Fifty Four Four Limited trading profitably to support the loan which is due to be repaid by 31 December 2025.

As stated in the director's report the company has significant negative revenue reserves so it cannot pay dividends.

Employee Consultation

XBN Limited has only two personnel, being a Director and company secretary, as such no employee consultation is required.

XBN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

Mr. R. Crane
Director

27 September 2021

XBN LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

On the 21 December 2020 the company changed its name from Y.CO Group Limited to XBN Limited.

Principal activities

The principal activity of the company during the year was that of a non-trading subsidiary.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid as the company has no revenue reserves and therefore the director can not recommend payment of a final dividend.

Director

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

Mr. R. Crane

Director's insurance

Fifty Four Four Limited maintains insurance policies on behalf of all the directors of the wider group against liability arising from negligence, breach of duty and breach of trust in relation to the company.

Auditor

In accordance with the company's articles, a resolution proposing that Verallo (formerly Taylorcocks Thames Valley LLP) be reappointed as auditor of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

XBN LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Going concern

The directors have reviewed the impact of COVID-19 on the operations and financial position of the company and have a reasonable expectation that the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Mr. R. Crane

Director

27 September 2021

XBN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF XBN LIMITED

Opinion

We have audited the financial statements of XBN Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

XBN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF XBN LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

XBN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF XBN LIMITED

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-re>

. This description forms part of our auditor's report.

XBN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF XBN LIMITED

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 him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Hewitt-Dutton FCCA (Senior Statutory Auditor)

For and on behalf of Verallo (formerly Taylorcocks Thames Valley LLP)

Statutory Auditor

Office: Henley-on-Thames

29 September 2021

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

		2020	2019
	Notes	£	£
Turnover	3	18,000	77,682
Administrative expenses		(18,846)	(161,116)
Operating loss	4	(846)	(83,434)
Interest receivable and similar income	6	24,193	-
Profit/(loss) before taxation		23,347	(83,434)
Tax on profit/(loss)	7	-	1,629
Profit/(loss) for the financial year		23,347	(81,805)

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

The notes on pages 14 to 24 form part of these financial statements

XBN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		-		6
Current assets					
Debtors	10	3,238,739		3,266,456	
Cash at bank and in hand		2,519		10,070	
		<u>3,241,258</u>		<u>3,276,526</u>	
Creditors: amounts falling due within one year					
	11	(20,300)		(78,921)	
Net current assets			3,220,958		3,197,605
Net assets			<u>3,220,958</u>		<u>3,197,611</u>
Capital and reserves					
Called up share capital	12	169,708		169,708	
Share premium account		15,378,873		15,378,873	
Profit and loss reserves		(12,327,623)		(12,350,970)	
Total equity		<u>3,220,958</u>		<u>3,197,611</u>	

XBN LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved and signed by the director and authorised for issue on 27 September 2021

Mr. R. Crane

Director

Company Registration No. 05011189

The notes on pages 14 to 24 form part of these financial statements

XBN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2019	169,708	15,378,873	(12,269,165)	3,279,416
Year ended 31 December 2019:				
Loss and total comprehensive income for the year	-	-	(81,805)	(81,805)
Balance at 31 December 2019	169,708	15,378,873	(12,350,970)	3,197,611
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	23,347	23,347
Balance at 31 December 2020	169,708	15,378,873	(12,327,623)	3,220,958

The notes on pages 14 to 24 form part of these financial statements

XBN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

XBN Limited (05011189) is a company limited by shares incorporated in England and Wales. The registered office is Brigade House 8 Parsons Green, London, SW6 4TN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Fifty Four Four Limited. These consolidated financial statements are available from its registered office, Century House, Wargrave Road, Henley-On-Thames, Oxfordshire, RG9 2LT.

XBN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, in reaching this conclusion, the director has considered the support provided by its parent company, in relation to supporting cashflow as required for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

The director has reviewed the impact of COVID-19 on the operations and financial position of the company and have a reasonable expectation that the company have adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover shown in the profit and loss account represents intercompany management charges, exclusive of value added tax.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	5% - 35% straight line
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1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.6 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

XBN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities including creditors and loans from fellow group companies, are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

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

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

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

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Foreign exchange

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

XBN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Impairment of financial assets

The company has provided financial assistance under commercial arrangements to certain subsidiaries and third parties. These financial assets are reviewed for impairment by management, at each reporting date in accordance with the accounting policy above.

Based on managements judgement of the recoverability of the amounts due in respect of these financial assets, where necessary, a provision is made within the financial statements as 'Amounts written off loan receivables'. In determining the provision to be made management exercise prudence in assessing the recoverability of the future cash inflows likely to be derived from the financial asset, in the current year, no provision has been made.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Management charges	18,000	3,649
Rental income	-	74,033
	<u>18,000</u>	<u>77,682</u>
	<u><u>18,000</u></u>	<u><u>77,682</u></u>
	2020	2019
	£	£
Other significant revenue		
Interest income	24,193	-
	<u>24,193</u>	<u>-</u>
	<u><u>24,193</u></u>	<u><u>-</u></u>
	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	18,000	77,682
	<u>18,000</u>	<u>77,682</u>
	<u><u>18,000</u></u>	<u><u>77,682</u></u>

XBN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****4 Operating loss**

	2020	2019
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(449)	520
Fees payable to the company's auditor for the audit of the company's financial statements	4,000	6,000
Depreciation of owned tangible fixed assets	-	2,331
Impairment of owned tangible fixed assets	-	10,339
Loss on disposal of tangible fixed assets	5	-
Operating lease charges	18,000	72,000
	<u> </u>	<u> </u>

5 Employees

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

	2020	2019
	Number	Number
Directors	1	1
	<u> </u>	<u> </u>

The company considers the directors to be Key Management Personnel.

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest receivable from group companies	24,193	-
	<u> </u>	<u> </u>

7 Taxation

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	-	(1,629)
	<u> </u>	<u> </u>

XBN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****7 Taxation****(Continued)**

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit/(loss) before taxation	23,347	(83,434)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	4,436	(15,852)
Tax effect of expenses that are not deductible in determining taxable profit	-	7,107
Tax effect of utilisation of tax losses not previously recognised	-	8,886
Depreciation on assets not qualifying for tax allowances	-	(141)
Deferred tax adjustments in respect of prior years	(638)	(1,629)
Losses carried forward	952	-
Provisions	(4,750)	-
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	-	(1,629)
	<u> </u>	<u> </u>

Trade losses of £150,066 (2019 - £150,066) are available to carry forward against future profits.

8 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2020	2019
	£	£
In respect of:		
Property, plant and equipment	-	10,339
	<u> </u>	<u> </u>
Recognised in:		
Administrative expenses	-	10,339
	<u> </u>	<u> </u>

XBN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2020	17,757
Disposals	(17,757)
	<hr/>
At 31 December 2020	-
	<hr/>
Depreciation	
At 1 January 2020	17,751
Eliminated in respect of disposals	(17,751)
	<hr/>
At 31 December 2020	-
	<hr/>
Carrying amount	
At 31 December 2020	-
	<hr/>
At 31 December 2019	6
	<hr/>

10 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	3,238,316	3,263,123
Other debtors	300	2,725
Prepayments and accrued income	123	608
	<hr/>	<hr/>
	3,238,739	3,266,456
	<hr/>	<hr/>

Amounts owed by group undertakings includes £2,419,315 (2019: £2,419,315) falling due after more than one year. The amount is receivable in full by 31 December 2025 and is subject to interest at 1% per annum.

XBN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****11 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	-	11,321
Other creditors	-	21,600
Accruals and deferred income	20,300	46,000
	<u>20,300</u>	<u>78,921</u>

12 Share capital

	2020	2019
	£	£
Issued and fully paid		
48,487,789 Ordinary shares of 0.35p each	169,708	169,708
1,349 Deferred shares of 0.005p each	-	-
	<u>169,708</u>	<u>169,708</u>

The deferred shares in the capital of the Company have no rights, powers or benefits attached to them whatsoever and, without limitation, do not confer on the holders of deferred shares any right to vote, to share in a dividend declared by the Company or to appoint a director, provided that on a return of capital on a winding-up or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repayment to the holders of the ordinary shares of the amount paid up on such ordinary shares together with a premium of £10,000 per ordinary share and the balance of such assets shall be distributed among the holders of the ordinary shares and the holders of the deferred shares rateably according to the amount paid up on such shares.

13 Operating lease commitments**Lessee**

The company has outstanding operating lease commitments in respect of land and buildings.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	-	36,000
	<u>-</u>	<u>36,000</u>

XBN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Ultimate controlling party

The company is under the control of Fifty Four Four Limited (company registration 08307724) a company incorporated in England and Wales. The consolidated financial statements are publicly available at Companies House.

15 Related party transactions

The Group key personnel are not employed by XBN Limited.

During the year, XBN Limited traded with companies with the same ultimate parent company. The company invoiced the related companies £18,000 (2019 - £nil).

The balance owing from the related parties at the year end amounted to £3,238,315 (2019 - £3,269,123). Interest of £24,193 was received from related parties on the balance.

Throughout the year, the company made purchases with a company under common control to the value of £nil (2019 - £343).

16 Cross Guarantee

A Composite Company Unlimited Multilateral Guarantee dated 03 January 2008, was provided to HSBC by XBN Limited, YCO S.A.M. and YCO Yacht Limited. At the year end there was no liability with HSBC, in any of the above named entities.

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.