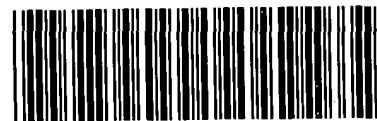


PELICAN EXCHANGE LIMITED

**Directors' Report
and
Financial Statements**

28th February 2023

TUESDAY



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| | Page No |
|-------------------------------------------|---------|
| Company information | 3 |
| Report of the directors | 4 |
| Chartered Accountants' compilation report | 6 |
| Profit and loss account | 7 |
| Statement of changes in equity | 8 |
| Balance sheet | 9 |
| Notes to the financial statements | 10 |

Pelican Exchange Limited

COMPANY INFORMATION

Directors:

M A L Read
P E B Read

Registered Office:

78 York Street
London
W1H 1DP

Auditors & Accountants:

The HHC Partnership Ltd
Chartered Accountants
Suite 2
9 West End
Kensington
Sevenoaks
Kent
TN15 6PX

Company Number:

09437275

Pelican Exchange Limited
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28TH FEBRUARY 2023

The directors present their annual report together with the financial statements of the company for the year ended 28th February 2023.

Activities, Business Review and Future Developments

The principal activity of the company is the provision and management of an online trading platform.

The year under review saw a continuation of the growth of the business, with turnover doubling. The focus has been more towards B2B growth, and ensuring this element of the business grows and sustains its net margins. We have been investing in improving processes and upskilling personnel to provide a higher level of support and which helps us to reduce our IT costs. Currently the directors are happy with the progress we have made over the past year and will aim to continue that pattern into 2022/23.

Dividends

The directors do not propose that any dividend be declared for the year (2022: Nil).

Directors

The directors of the company are shown on page 3. They served throughout the year under review and subsequent thereto unless otherwise stated.

Directors' Responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

United Kingdom company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those accounts, the directors are required to:

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

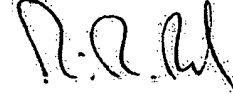
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Pelican Exchange Limited
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28TH FEBRUARY 2023 - continued

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under Part 15 of the Companies Act 2006.

By Order of the Board



M A L READ
Director

21st November 2023

Pelican Exchange Limited

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF PELICAN EXCHANGE LIMITED

In accordance with the terms of our engagement and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company for the year ended 28th February 2023 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 28th February 2023 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. 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 accounts.

The HHC Partnership Ltd

THE HHC PARTNERSHIP LTD

CHARTERED ACCOUNTANTS

21st November 2023

Pelican Exchange Limited

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28TH FEBRUARY 2023

| | Notes | 2023 £ | 2022 £ |
|---------------------------------------------|-------|-------------|-----------|
| TURNOVER | 4 | 2,015,126 | 1,627,712 |
| Cost of Sales | | (1,028,383) | (966,655) |
| GROSS PROFIT | | 986,743 | 661,057 |
| Administrative Expenses | | (989,101) | (752,565) |
| Other Operating Income | 7 | 2,339 | 43,596 |
| Operating loss | | (19) | (47,912) |
| Interest payable and similar charges | | (1,540) | (1,791) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 5 | (1,559) | (49,703) |
| Taxation | 8 | - | 13,096 |
| LOSS FOR THE YEAR | | £(1,559) | £(36,607) |

The notes on pages 10 to 16 form an integral part of these financial statements.

Pelican Exchange Limited

STATEMENT OF CHANGES IN EQUITY

AT 28TH FEBRUARY 2023

| Notes | Share Capital | Share Premium | Retained Earnings | Total |
|-------------------------------|------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Balance at 1st March 2022 | 4 | 2,232,637 | (1,173,644) | 1,058,997 |
| Additions in the year | - | - | - | - |
| (Loss) for the year | - | - | (1,559) | (1,559) |
| Balance at 28th February 2023 | <u>£4</u> | <u>£2,232,637</u> | <u>£(1,175,203)</u> | <u>£1,057,438</u> |
| Balance at 1st March 2021 | 4 | 2,232,637 | (1,137,037) | 1,095,604 |
| Additions in the year | - | - | - | - |
| (Loss) for the year | - | - | (36,607) | (36,607) |
| Balance at 28th February 2022 | <u>£4</u> | <u>£2,232,637</u> | <u>£(1,173,644)</u> | <u>£1,058,997</u> |

The notes on pages 10 to 16 form an integral part of these financial statements

Pelican Exchange Limited

BALANCE SHEET

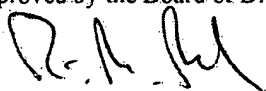
AT 28TH FEBRUARY 2023

| | Notes | £ | 2023 £ | £ | 2022 £ |
|----------------------------------------------|-------|----------------|-------------------|----------------|-------------------|
| FIXED ASSETS | | | | | |
| Intangible Assets | 9 | | 1,157,873 | | 1,157,873 |
| Tangible Assets | 10 | | 2,868 | | - |
| Investments | 11 | | 57,696 | | - |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 188,354 | | 147,973 | |
| Cash at bank and in hand | | 135,335 | | - | |
| | | <u>323,689</u> | | <u>147,973</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | (454,688) | | (208,849) | |
| NET CURRENT LIABILITIES | | | (130,999) | | (60,876) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,087,438</u> | | <u>1,096,997</u> |
| CREDITORS | | | | | |
| Falling due after more than one year | 13 | | (30,000) | | (38,000) |
| NET ASSETS | | | <u>£1,057,438</u> | | <u>£1,058,997</u> |
| Financed by: | | | | | |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 4 | | 4 |
| Share premium | | | 2,232,637 | | 2,232,637 |
| Profit and loss account | | | (1,175,203) | | (1,173,644) |
| EQUITY SHAREHOLDERS' FUNDS | | | <u>£1,057,438</u> | | <u>£1,058,997</u> |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 section 1A – small companies.

1. The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.
2. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

Approved by the Board of Directors and authorised for issue on 21st November 2023



M A L READ - Director

PELICAN EXCHANGE LIMITED

Company registration number 09437275 (England and Wales)

The notes on pages 10 to 16 form an integral part of these financial statements.

Pelican Exchange Limited
NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Pelican Exchange Limited is a private company limited by shares and incorporated in England and Wales. The registered office is at 78 York Street, London, W1H 1DP.

2. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated:

a) Statement of Compliance
The financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A small entities and the Companies Act 2006, as applicable to companies subject to the small companies' regime.

b) Basis of Preparation
The financial statements have been prepared under the historical cost convention. The company has claimed exemption from preparing consolidated accounts under Sections 402 and 405 of the Companies Act 2006.

c) Presentation Currency
The financial statements have been prepared and are presented in £ sterling.

d) Revenue Recognition
Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the value of goods and services, stated net of discounts and of Value Added Tax.

When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured as the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal value of consideration to the cash sales price.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met as applicable to the relevant activity.

e) Intangible fixed assets
Goodwill arises on the acquisition of the trade and assets of a business and represents the difference between the amount paid and aggregate fair value of the separable net assets. It is amortised through the profit and loss account in equal annual instalments over its useful economic life, which has been estimated by the directors at three years.

Copyrights and technical know-how represent expenditure on these and similar items incurred to protect the intellectual property of the company. They are amortised in equal annual instalments over their estimated useful lives in each case.

2. Accounting Policies - continued

f) Tangible Fixed Assets

Purchased tangible fixed assets are included at cost. Assets acquired as part of the acquisition of a business are revalued to their fair value at the date of acquisition.

They are depreciated at rates calculated to write off the cost of assets or their revalued fair values over their estimated useful lives as follows:

Computer equipment - Over 3 years

On disposal any difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the profit and loss account, and included in other operating income.

g) Investments

Investment in subsidiaries are included at cost less any impairment provision.

h) Financial Instruments

The company only enters into basic financial instruments transactions like trade and other accounts receivable and payable, and loans to and from related entities. Debt instruments payable or receivable within one year, typically trade payables or receivables, are measured at the undiscounted value 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 receivable deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 any such impairment is found, an impairment loss is recognised in the profit or loss. 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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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

i) Stock

Stock are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell.

j) Impairment of Non-Financial Assets

At each reporting date non-financial assets not carried at fair value, such as plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying value. If the recoverable amount is lower, the carrying value of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying value of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

2. Accounting Policies - continued

k) Operating Lease Rentals

Leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company are classified as operating leases.

Payments made under operating leases are recognised as an expense over the lease term and taken to profit or loss on a straight line basis.

l) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

m) Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years.

Deferred tax arises from timing differences that are differences between taxable profits and total profits or losses as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and which are expected to apply to the reversal of the timing differences.

n) Pension Costs

The company operates a defined contribution scheme for its employees. Contributions to this scheme are charged to the profit and loss account as they become payable in accordance with the scheme rules.

o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits available on demand and other short-term highly liquid investment that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

p) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Normal fluctuations on trading items are dealt with as part of the result for the year.

3. Significant Judgements and Estimates

Preparation of the financial statements may require management to make significant judgements and estimates. No significant judgements or estimates have had to be made by management in preparing these financial statements.

Pelican Exchange Limited
NOTES TO THE FINANCIAL STATEMENTS - continued

4. Turnover

Turnover is all attributable to the principal activity of the company and arose by percentage in the following geographical locations:

| | 2023 % | 2022 % |
|-----------------------|------------|------------|
| In the United Kingdom | 7 | 9 |
| European Union | 2 | 2 |
| Rest of the World | 91 | 89 |
| | <u>100</u> | <u>100</u> |

5. Profit on Ordinary Activities before Taxation

| | £ | £ |
|-----------------------------------------------|-----------------|--------------|
| This is stated after charging/(crediting): | | |
| Directors remuneration (see note 6) | 51,877 | 28,314 |
| Depreciation - owned assets | 1,434 | - |
| (Profit)/loss on foreign exchange translation | <u>(54,031)</u> | <u>1,755</u> |

6. Directors Remuneration

| | | |
|---------------------------------------------|----------------|----------------|
| Salaries and wages | 50,583 | 26,310 |
| Pension Contributions | 1,294 | 2,004 |
| | <u>£51,877</u> | <u>£28,314</u> |
| Average number of employees during the year | <u>7</u> | <u>6</u> |

7. Other Operating Income

| | | |
|--------------|---------------|----------------|
| Other income | 2,339 | 43,596 |
| | <u>£2,339</u> | <u>£43,596</u> |

Pelican Exchange Limited
NOTES TO THE FINANCIAL STATEMENTS - continued

8. Taxation

No tax charge arises for 2023 on the operating results due to the loss for the year and the availability of trading losses brought forward (2022: Nil).

9. Intangible Assets

| | Software Applications | Total |
|-------------------------|--------------------------|------------------|
| | £ | £ |
| COST | | |
| Balance brought forward | 1,157,873 | 1,157,873 |
| Additions | - | - |
| Balance carried forward | <u>1,157,873</u> | <u>1,157,873</u> |

10. Tangible Fixed Assets

| | Computer Equipment | Total |
|-------------------------------|-----------------------|---------------|
| | £ | £ |
| COST OR REVALUATION | | |
| Balance at 1st March 2022 | 2,778 | 2,778 |
| Additions in the year | 4,302 | 4,302 |
| Balance at 28th February 2023 | <u>7,080</u> | <u>7,080</u> |
| DEPRECIATION | | |
| Balance at 1st March 2022 | 2,778 | 2,778 |
| Charge for the year | 1,434 | 1,434 |
| Balance at 28th February 2023 | <u>4,212</u> | <u>4,212</u> |
| NET BOOK VALUE | | |
| At 28th February 2023 | <u>2,868</u> | <u>£2,868</u> |
| At 28th February 2022 | <u>-</u> | <u>-</u> |

Pelican Exchange Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

11. Investments

| | 2023 £ | 2022 £ |
|-------------------------|----------------|-----------|
| Investments in the year | 57,696 | - |
| Balance carried forward | <u>£57,696</u> | <u>-</u> |

The investment represents the cost of investment in Pelican EU, which is 100% owned by the Company. Pelican EU has not yet prepared its first accounts and so no financial information is presented.

12. Debtors

| | | |
|-------------------------------|-----------------|-----------------|
| Trade debtors | 145,951 | 85,836 |
| Due from related undertaking | 9,929 | 9,729 |
| Taxes recoverable | 20,058 | 41,448 |
| Other debtors and prepayments | 12,416 | 10,960 |
| | <u>£188,354</u> | <u>£147,973</u> |

All amounts included as debtors are due within one year.

13. Creditors

Amounts falling due within one year

| | | |
|---------------------------------------|-----------------|-----------------|
| Bank overdraft | - | 8,521 |
| Trade creditors | 303,510 | 28,320 |
| Other taxes and social security costs | 10,930 | 22,597 |
| Due to related undertaking | 25,543 | 34,660 |
| Directors' loans | 109,950 | 109,950 |
| Other creditors | 1,255 | 801 |
| Accruals and deferred income | 3,500 | 4,000 |
| | <u>£454,688</u> | <u>£208,849</u> |

Amounts falling due after more than one year:

| | | |
|-----------|----------------|----------------|
| Bank loan | 30,000 | 38,000 |
| | <u>£30,000</u> | <u>£38,000</u> |

Pelican Exchange Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

14. Called up share Capital

| | 2023 £ | 2022 £ |
|-----------------------------------------------|-----------|-----------|
| Allotted, called-up and fully paid: | | |
| 42,144,567 Ordinary Shares of £0.0000001 each | <u>£4</u> | <u>£4</u> |

15. Related Party Transactions

The balance of £9,929 (2022: £9,729) included in debtors is due from London & Trading Limited.

The balance of £25,543 (2022: £34,660) included in creditors is due to London & Eastern LLP.

Neither balance has any particular terms for repayment. Both of these companies are under the same common control as Pelican Exchange Limited.

16. Pension Commitments

The company operates a defined contribution scheme for employees. Contributions during the year amounted to £5,892 (2022: £1,000). At the balance sheet date there were no contributions outstanding.

17. Controlling Party

In the opinion of the directors the company is not under the control of any one person.