

Amended Accounts
Carbon Trade Exchange Limited
Company No. 09621635
Directors' Report and Unaudited Accounts
30 June 2022

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Carbon Trade Exchange Limited
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Carbon Trade Exchange Limited
Company Information

Directors

L.A. Barton
W. Sharpe

Registered Office

Maplewood Beeches Road
Farnham Common
Slough
England
SL2 3PR

Accountants

Cartwheel International Limited
Jhumat House
160 London Road
Barking
London
IG11 8BB

CARBON TRADE EXCHANGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The directors present their amended annual report and financial statements for the year ended 30 June 2022 and it replace the original account submitted on 18 April 2023.

Principal activities

The Principal Business of the company is the global online trading of Voluntary Carbon Credits by projects, brokers and companies for voluntary offsetting of CO2 Emissions. Carbon Trade Exchange (CTX) is the exclusive global licensee of CTX platform which technology is owned by Global Environment Markets (GEM). The company receives membership fees for clients to sign up to the CTX exchange and supports trading on the Carbon Trade Exchange (CTX) trading platform, where the Credit Clearance is done via various carbon registries worldwide and the financial settlement via Westpac Bank in Australia since 2010. The company also acts as an Over the Counter (OTC) principal party broker as and when required where it directly buys and sells Voluntary carbon credits for a margin, wherever possible onto or off the CTX trading platform.

Results and dividends

CTX had another year of astounding growth, despite another challenging year in carbon markets globally, the end of a global pandemic and international lockdowns, and the need to move offices and hire more staff as we grow. CTX has no receivables in trade fees which are deducted from transaction proceeds instantly.

CTX signed in 105 new Members to the exchange in the financial year (125 for the 2022 Calendar year)

Overall Revenues **increased by 244%** (£2.7M 2021: £6.6M 2022), CTX Membership Fees **+204%** and CTX Transaction Fees **+264%**. Gross Profit increased by only 148% mainly due to the continued transition from Over the Counter (OTC) trades to CTX exchange trading meaning lower margins but more guaranteed continuous trades. In line with the company's growth, operating costs increased by 268% (Wages: +244%, Rent: +266%) so **Net Profit Before Tax** was -27% at **£303,147**.

In Q3&4 of 2021 FY the Directors of GEM (CTX Parent) chose to again invest heavily into trading technology enhancements and introduced multiple new trading features to CTX with an investment of circa A\$2 million in the 2022 FY to support the CTX operations and brand. Staff numbers for CTX doubled in the period - hired to focus on CTX exchange trading instead of Over the Counter (OTC) trades, and although these OTC still dominate CTX revenue, the trend is changing. Whilst gross margins are reduced on Exchange (7%) versus OTC (12%) these are ongoing client fees so more able to 'self-service' trades to secure the company's future. This is particularly attractive to smaller trades and reselling brokers of which there are hundreds worldwide, and more purchases are happening unassisted by CTX staff.

The company outgrew and moved to larger, more prestigious premises and re-engaged in marketing.

Post EOFY

In late 2022 membership fees were increased again, in response to our main competitors CBL and ACX promoting FREE memberships, and we increased our commissions, customer support and KYC. Global Market conditions have kept constrained carbon credit supply, and to alleviate this CTX and GEM signed 2 new Registry integration contracts in 2022, BioCarbon and Universal Carbon Registries.

Directors

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

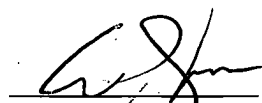
Mr. Wayne Sharpe

Miss Lee Barton

Small companies' exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



Wayne Sharpe

CEO & Founder

Director

Date 7/06/2023

Carbon Trade Exchange Limited
Accountants Report

Accountant's Report to the Board of directors of Carbon Trade Exchange Limited on the preparation of the unaudited statutory accounts for the year ended 30 June 2022

In order to assist you to fulfil your duties under the Companies Act 2006 and in accordance with your instructions, we have prepared for your approval the financial statements of Carbon Trade Exchange Limited for the year ended 30 June 2022 set out on pages 6 to 18 from the company's accounting records and from information and explanations you have given us.

You consider that the company is exempt from an audit for the year ended 30 June 2022. You have acknowledged, on the balance sheet, your responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These responsibilities include preparing financial statements that give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit for the year.

We have not carried out an audit or a review of the financial statements of Carbon Trade Exchange Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Cartwheel International Limited
Accountants
Jhumat House
160 London Road
Barking
London
IG11 8BB
07 June 2023

Carbon Trade Exchange Limited
Profit and Loss Account
for the year ended 30 June 2022

	2022 £	2021 £
Turnover	6,603,407	2,707,615
Cost of Sales	<u>(5,745,985)</u>	<u>(2,129,044)</u>
Gross profit	857,422	578,571
Distribution costs and selling expenses	(26,377)	(2,681)
Administrative expenses	(554,158)	(212,922)
Other operating income	27,475	51,296
Operating profit	<u>304,362</u>	<u>414,264</u>
Interest payable and similar charges	(1,215)	1,085
Profit on ordinary activities before taxation	<u>303,147</u>	<u>415,349</u>
Taxation	(46,404)	-
Profit for the financial year after taxation	<u><u>256,743</u></u>	<u><u>415,349</u></u>

Carbon Trade Exchange Limited
Statement of Comprehensive Income
STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	2022	2021
	£	£
Profit for the financial year after taxation	256,743	415,349
Total comprehensive income for the period	<u>256,743</u>	<u>415,349</u>

Carbon Trade Exchange Limited

Balance Sheet

at 30 June 2022

Company No. 09621635

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	4	17,700	23,600
Tangible assets	5	17,000	29,578
Investments	6	1,750,000	1,750,000
		<u>1,784,700</u>	<u>1,803,178</u>
Current assets			
Debtors	7	546,950	225,371
Cash at bank and in hand		32,710	122,432
		<u>579,660</u>	<u>347,803</u>
Creditors: Amount falling due within one year	8	(217,270)	(30,478)
Net current assets		<u>362,390</u>	<u>317,325</u>
Total assets less current liabilities		2,147,090	2,120,503
Creditors: Amounts falling due after more than one year	9	(126,322)	(360,760)
Provisions for liabilities			
Other provisions		(4,282)	-
Net assets		<u>2,016,486</u>	<u>1,759,743</u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Revaluation reserve	11	1,749,999	1,749,999
Profit and loss account	11	265,487	8,744
Total equity		<u>2,016,486</u>	<u>1,759,743</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

For the year ended 30 June 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit 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 accounts.

Approved by the board on 07 June 2023

And signed on its behalf by:



W. Sharpe

Director

07 June 2023

Carbon Trade Exchange Limited
Statement of Changes in Equity
for the year ended 30 June 2022

	Share Capital £	Other Reserves £	Retained earnings £	Total equity £
At 1 July 2020	1,000	1,749,999	(406,605)	1,344,394
Profit for the period			415,349	415,349
At 30 June 2021 and 1 July 2021	1,000	1,749,999	8,744	1,759,743
Profit for the period			256,743	256,743
At 30 June 2022	1,000	1,749,999	265,487	2,016,486

1 General information

Carbon Trade Exchange Limited is a private company limited by shares and incorporated in England and Wales.

Its registered number is: 09621635

Its registered office is:

Maplewood Beeches Road

Farnham Common

Slough

England

SL2 3PR

The accounts have been prepared in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018) and the Companies Act 2006.

2 Accounting policies

Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company;
- and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

Intangible fixed assets

Intangible fixed assets are carried at cost less accumulated amortisation and impairment losses.

Tangible fixed assets and depreciation

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss.

Depreciation is provided at the following annual rates in order to write off the cost or valuation less the estimated residual value of each asset over its estimated useful life:

Freehold buildings	2% Straight line
Plant and machinery	33% Straight line
Motor vehicles	20% Straight line
Furniture, fittings and equipment	20% Straight line

Research and development costs

Expenditure on research and development is written off in the year it is incurred unless it meets the criteria to allow it to be capitalised. Costs of research are always written off in the year in which they are incurred. Where development costs are recognised as an asset, they are amortised over the period expected to benefit from them. Amortisation of the capitalised costs begins once the developed product comes into use, typically at rate of 33.33% straight line.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Freehold investment property

Investment properties are revalued annually and any surplus or deficit is dealt with through the profit and loss account.

No depreciation is provided in respect of investment properties.

Investments

Unlisted investments (except those held as subsidiaries, associates or joint ventures) are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, any changes in fair value are recognised in profit and loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Work in progress is reflected in the accounts on a contract by contract basis by recording revenue and related costs as contract activity progresses.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts.

Trade and other creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currencies

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.

Transactions in currencies, other than the functional currency of the Company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Leased assets

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Company are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs (see the accounting policy above).

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Defined contribution pensions

The Company operates a defined contribution plan 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 payments obligations.

The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

3 Employees

	2022 Number	2021 Number
The average monthly number of employees (including directors) during the year was:	7	5

4 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 July 2021	59,000	59,000
At 30 June 2022	<u>59,000</u>	<u>59,000</u>
Amortisation and impairment		
At 1 July 2021	35,400	35,400
Charge for the year	5,900	5,900
At 30 June 2022	<u>41,300</u>	<u>41,300</u>
Net book values		
At 30 June 2022	<u>17,700</u>	<u>17,700</u>
At 30 June 2021	<u>23,600</u>	<u>23,600</u>

Intangible fixed assets comprises of Purchased Goodwill which is being amortised over 10 years.

5 Tangible fixed assets

	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or revaluation			
At 1 July 2021	25,517	22,029	47,546
Additions	-	4,269	4,269
Disposals	(25,517)	-	(25,517)
At 30 June 2022	<u>-</u>	<u>26,298</u>	<u>26,298</u>
Depreciation			
At 1 July 2021	14,809	3,159	17,968
Charge for the year	2,922	6,139	9,061
Disposals	(17,731)	-	(17,731)
At 30 June 2022	<u>-</u>	<u>9,298</u>	<u>9,298</u>
Net book values			
At 30 June 2022	<u>-</u>	<u>17,000</u>	<u>17,000</u>
At 30 June 2021	<u>10,708</u>	<u>18,870</u>	<u>29,578</u>

6 Investments

	Investment in Subsidiaries £	Total £
Cost or valuation		
At 1 July 2021	1,750,000	1,750,000
At 30 June 2022	<u>1,750,000</u>	<u>1,750,000</u>
Provisions/Impairment		
Net book values		
At 30 June 2022	<u>1,750,000</u>	<u>1,750,000</u>
At 30 June 2021	<u>1,750,000</u>	<u>1,750,000</u>

7 Debtors

	2022 £	2021 £
Trade debtors	11,221	97,586
Other debtors	535,562	127,785
Prepayments and accrued income	167	-
	<u>546,950</u>	<u>225,371</u>
Amounts included within Other debtors that fall due after more than one year	<u>533,782</u>	<u>126,005</u>

8 Creditors:

amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	12,396	10,648
Obligations under finance lease and hire purchase contracts	-	15,697
Trade creditors	32,216	2,654
Taxes and social security	52,996	(8,474)
Loans from directors	105,508	8,964
Other creditors	9,173	8,143
Accruals and deferred income	4,981	(7,154)
	<u>217,270</u>	<u>30,478</u>

9 Creditors:

amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	29,918	39,352
Other loans	39,973	321,408
Amounts owed to group undertakings	56,431	-
	<u>126,322</u>	<u>360,760</u>

10 Share Capital

The company has issued 1,000,000 ordinary shares of £0.001 each. All shares is fully allotted and fully paid.

11 Reserves

	Revaluation Reserve £	Total other reserves £
At 1 July 2020	1,749,999	1,749,999
At 30 June 2021 and 1 July 2021	1,749,999	1,749,999
At 30 June 2022	1,749,999	1,749,999

Revaluation reserve - reflects the revaluation of property other than investment properties.

Profit and loss account - includes all current and prior period retained profits and losses.

12 Related party disclosures

*Transactions with related parties**Parent Company*

The name of the parent of the smallest group for which consolidated financial statements are drawn up of which this entity is a member:

Global Environmental Markets Limited (100%)

The parent's registered office address is:

Mauritius

Carbon Trade Exchange Limited
Detailed Profit and Loss Account
for the year ended 30 June 2022

	2022 £	2021 £
Turnover	6,603,407	2,707,615
Cost of sales		
Purchases	5,630,407	2,091,161
	<u>5,630,407</u>	<u>2,091,161</u>
Other direct costs		
Commission payable	105,840	11,313
Other direct costs	9,738	26,570
	<u>115,578</u>	<u>37,883</u>
Cost of sales	5,745,985	2,129,044
Gross profit	857,422	578,571
Selling and marketing expenses		
Other selling and marketing costs		
Advertising and PR	18,545	2,681
Exhibitions and promotions	5,032	-
Website costs	2,800	-
	<u>26,377</u>	<u>2,681</u>
Distribution costs and selling expenses	<u>26,377</u>	<u>2,681</u>
Other administrative costs		
Employee costs		
Salaries/wages	248,643	92,888
Employer's NIC	32,456	2,019
Pension costs	6,687	911
Staff entertainment	17,966	-
Staff recruitment	11,125	-
Staff training	3,670	-
Staff welfare	-	3,273
	<u>320,547</u>	<u>99,091</u>
Motor and travel costs		
Vehicles - General costs	2,470	1,433
Vehicles - Leasing and hire costs	6,926	-
Travel and subsistence	25,894	13,245
	<u>35,290</u>	<u>14,678</u>
Premises costs		
Rent	67,066	25,141
Premises cleaning	1,347	2,277
Premises repairs and maintenance	4,752	1,740
	<u>73,165</u>	<u>29,158</u>

Carbon Trade Exchange Limited
Detailed Profit and Loss Account

General administrative costs, including depreciation and amortisation		
Amortisation	5,900	5,900
Depreciation of fixtures, fittings and equipment	9,061	7,288
Exchange rate loss	21,272	10,219
Bank charges	2,623	2,459
Charitable donations	10,000	100
General insurances	155	587
Postage and couriers	220	108
Software, IT support and related costs	404	909
Stationery and printing	8,309	342
Subscriptions	4,962	6,324
Sundry expenses	3,715	322
Telephone, fax and broadband	2,020	2,831
	<u>68,641</u>	<u>37,389</u>
Legal and professional costs		
Accountancy and bookkeeping	14,774	5,680
Consultancy fees	41,087	24,413
Other legal and professional costs	654	2,513
	<u>56,515</u>	<u>32,606</u>
Administrative expenses	554,158	212,922
Other operating income	27,475	51,296
Operating profit	<u>304,362</u>	<u>414,264</u>
Interest payable and similar charges		
Bank loan and overdraft interest payable	1,215	(1,085)
	<u>1,215</u>	<u>(1,085)</u>
Profit on ordinary activities before taxation	<u>303,147</u>	<u>415,349</u>