

BINANCE DIGITAL LIMITED

**Directors' Report
and
Financial Statements**

31st December 2022

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Binance Digital Limited

COMPANY INFORMATION

Director: J S Farnell

Registered Office: 7 Bell Yard
Holborn
London
WC2A 2JR

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

Company Number: 12340481

Binance Digital Limited
REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2022

The director presents his annual report together with the financial statements of the company for the year ended 31st December 2022

Activities, Business Review and Future Developments

The principal activity of the company is that of business and domestic software development.

Directors

The director of the company is shown on page 3. He served throughout the year under review.

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.

Small Company Provisions

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

By Order of the Board



J S FARNELL
Director

17th March 2023

Binance Digital Limited

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF BINANCE DIGITAL 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 31st December 2022 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 solely 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 to 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 31st December 2022 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

CHARTERED ACCOUNTANTS

17th March 2023

Binance Digital Limited

STATEMENT OF COMPREHENSIVE INCOME [INCLUDING THE PROFIT AND LOSS ACCOUNT]
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £	2021 £
Administrative Expenses		(203,659)	(219,985)
Other Income		17,982	66
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(185,677)	(219,919)
Taxation	6	-	-
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>£(185,677)</u>	<u>£(219,919)</u>

The notes on pages 9 to 12 form an integral part of these financial statements.

Binance Digital Limited
STATEMENT OF CHANGES IN EQUITY
AT 31ST DECEMBER 2022

	Notes	Share Capital	Retained Earnings	Total
		£	£	£
Year ended 31st December 2022				
Balance at 1st January 2022		1	(758,318)	(758,317)
Loss for the year		-	(185,677)	(185,677)
Balance at 31st December 2022		<u>£1</u>	<u>£(943,995)</u>	<u>£(943,994)</u>
Year ended 31st December 2021:				
Balance at 1st January 2021		1	(538,399)	(538,398)
Loss for the year		-	(219,919)	(219,919)
Balance at 31st December 2021		<u>£1</u>	<u>£(758,318)</u>	<u>£(758,317)</u>

The notes on pages 9 to 12 form an integral part of these financial statements

Binance Digital Limited
BALANCE SHEET
AT 31ST DECEMBER 2022

	Notes	£	2022 £	£	2021 £
CREDITORS					
Amounts falling due within one year	7	(943,994)		(758,317)	
NET CURRENT LIABILITIES			(943,994)		(758,317)
TOTAL ASSETS LESS CURRENT LIABILITIES			£(943,994)		£(758,317)
Financed by:					
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Retained earnings			(943,995)		(758,318)
EQUITY SHAREHOLDERS' FUNDS			£(943,994)		£(758,317)

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 17th March 2023



J S FARNELL
Director

BINANCE DIGITAL LIMITED
Company registration number 12340481 (England and Wales)

The notes on pages 9 to 12 form an integral part of these financial statements.

1. **General Information**

Binance Digital Limited (the company) is a private company limited by shares and incorporated in England and Wales. The registered office is at 7 Bell Yard, Holborn, London, England EC2A 2JR.

2. **Accounting policies**

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's accounts.

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.

c) **Presentation Currency**

The principal functional currency the company uses is pounds sterling. The financial statements have been prepared and are presented in pounds sterling.

d) **Revenue Recognition**

Turnover comprises fees and commissions receivable on financial services provided by the company. No revenue was recognised during the period under review.

Revenue is recognised 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. Generally, this will be when the service has been provided and can be recognised in the profit and loss account.

e) **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, normally the transaction price. 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.

f) 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 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss account as finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate or foreign exchange derivatives.

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

g) 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.

h) 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.

i) 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 were required in preparing these financial statements.

4. Turnover

No turnover arose in the period under review (2021: Nil).

5. Employees

The average number of persons employed by the company during the period, including directors, was 1 (2021: 3). No director or employee received any remuneration during the period.

6. Taxation

No charge to UK Corporation Tax arose due to the loss for the year (2021: Nil).

7. Creditors

	2022 £	2021 £
Amounts falling due within one year		
Trade creditors	-	823
Due to related entities	943,634	753,534
Accruals	360	3,960
	<u>£943,994</u>	<u>£758,317</u>

8. Deferred Taxation

	At 31st December 2022		At 31st December 2021	
	Provided £	Unprovided £	Provided £	Unprovided £
Losses carried forward	-	179,359	-	144,080
Deferred tax asset/(liability)	-	£179,359	-	£144,080

The potential net deferred tax asset arises from losses carried forward to future periods. It has not been recognised at the balance sheet date as there is not yet firm evidence that the company will make sufficient taxable profits in the future for the reversal of any timing difference to affect the amount of tax actually paid.

9. Share Capital

	2022 £	2021 £
Allotted, called-up and fully paid:		
100 Ordinary shares of £0.01p each	1	1
	£1	£1

10. Related Party Transactions

The company has adopted the exemption permitted by FRS102 and has not disclosed transactions with related parties under common ownership during the period under review, that were also wholly owned.

11. Controlling Party

In the opinion of the directors the company is controlled by Mr Changpeng Zhao by virtue of his direct beneficial interest in 80% of the issued share capital.

12. Post Balance Sheet Events

There are no significant post balance sheet events which would materially affect the financial statements.