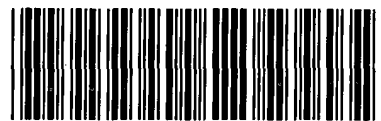


**BINANCE DIGITAL LIMITED**

**Directors' Report  
and  
Financial Statements**

**31st December 2020**

WEDNESDAY



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COMPANIES HOUSE

## **Binance Digital Limited**

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**Binance Digital Limited**

**COMPANY INFORMATION**

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**Directors:** Helen Yu Hai (Appointed 29th November 2019)  
Yu Yongjie (Appointed 29th November 2019)  
Wei Zuowen (Appointed 29th November 2019)

**Registered Office:** 7 Bell Yard  
Holborn  
London  
WC2A 2JR

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

**Company Number:** 12340481

**Binance Digital Limited**  
**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2020**

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The directors present their first annual report together with the audited financial statements of the company for the period from incorporation to 31st December 2020.

**Incorporation**

The company was incorporated on 29th November 2019 and commenced to trade on the same date.

**Principal activities**

The principal activity of the company is as a payment processing facilitator.

**Dividends**

No dividend will be paid for the period

**Directors**

The directors of the company are shown on page 3. All were appointed on incorporation.

**Directors' Responsibilities**

The directors are responsible for preparing the Strategic report, the Directors' 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; and
- 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 adequate 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.

**Post Balance Sheet events**

Subsequent to the year end the directors have commenced a review of the future operations of the company. Further details are given in note 14 of the attached accounts.

**Binance Digital Limited**

**REPORT OF THE DIRECTORS - Continued**

**FOR THE PERIOD ENDED 31ST DECEMBER 2020**

**Statement of disclosure of information to auditors**

The directors of the company who held office at the date of approval of this Annual Report confirms that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of all that information

**Auditors**

The HHC Partnership Ltd have been appointed under section 485, Companies Act 2006 as auditors for the company. They have indicated their willingness to continue in office and are deemed to be re-appointed under section 487(2), Companies Act 2006.

**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



**H YU HAI**  
Director

17th August 2021

## **Binance Digital Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BINANCE DIGITAL LIMITED**

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#### **Opinion**

We have audited the financial statements of Binance Digital Limited (the 'company') for the period ended 31st December 2020, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 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 31st December 2020 and of its loss for the period 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 directors' 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 entity'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. However, we draw your attention to Note 14 in the financial statements concerning the company's future operation. Our audit report is not qualified in respect of this.

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Binance Digital Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BINANCE MARKETS LIMITED - Continued**

#### **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 directors report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- the use of small company exemptions for the strategic report, the directors' report and the financial statements are not appropriate; or
- we have not received all the information and explanations we require for our audit

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out on page 5, the directors are 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 directors determine is necessary to enable the preparation of financial statements and for being satisfied they give a fair and true view, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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 them 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.



ALAN COPLESTON (Senior Statutory Auditor)  
For and on behalf of THE HHC PARTNERSHIP LTD

9 West End  
Kemsing  
Sevenoaks  
Kent  
TN15 6PX

CHARTERED ACCOUNTANTS  
AND STATUTORY AUDITORS

17th August 2021

**Binance Digital Limited****STATEMENT OF COMPREHENSIVE INCOME [INCLUDING THE PROFIT AND LOSS ACCOUNT]  
FOR THE PERIOD ENDED 31ST DECEMBER 2020**

	Notes	2020 £
TURNOVER	4	-
Cost of Sales		-
GROSS PROFIT		-
Administrative Expenses		(541,417)
Other Income		3,018
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(538,399)
Taxation	7	-
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		£(538,399)

The notes on pages 11 to 15 form an integral part of these financial statements.



**Binance Digital Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**AT 31ST DECEMBER 2020**

	Notes	Share Capital	Retained Earnings	Total
		£	£	£
<b>31st December 2020:</b>				
Capital introduced		1	-	1
(Loss)/Profit for the year		-	(538,399)	(538,399)
<b>Balance at 31st December 2020</b>		<b>£1</b>	<b>£(538,399)</b>	<b>£(538,398)</b>

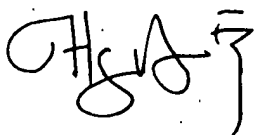
The notes on pages 11 to 15 form an integral part of these financial statements

**Binance Digital Limited**  
**BALANCE SHEET**  
**AT 31ST DECEMBER 2020**

	Notes	£	31st December 2020 £
<b>CURRENT ASSETS</b>			
Debtors	8	43,347	
Cash and bank balances		97,600,358	
		<u>97,643,705</u>	
<b>CREDITORS</b>			
Amounts falling due within one year	9	(98,182,103)	
<b>NET CURRENT ASSETS</b>			<b>(538,398)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b><u>£(538,398)</u></b>
Financed by:			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11		1
Retained earnings			(538,399)
<b>EQUITY SHAREHOLDERS' FUNDS</b>			<b><u>£(535,398)</u></b>

The financial statements were approved by the Board of Directors and authorised for issue on 17th August 2021

H YU HAI  
 Director



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

The notes on pages 11 to 15 form an integral part of these financial statements.

**Binance Digital Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**

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1. **General Information**

Binance Digital Limited (the company) is a financial intermediary. It 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 currencies the company uses are pounds sterling and euros. 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.

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.

**Binance Digital Limited**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

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**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.

**5. Profit/(Loss) Before Taxation**

2020  
£

This is stated after charging:

Auditor s remuneration:

Audit of these financial statements

3,000

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**6. Employees**

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

**7. Taxation**

No charge to UK Corporation Tax arose due to the loss for the period.

**8. Debtors**

2020  
£

Bank

97,600,358

Other debtors and prepayments

43,347

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£97,643,705

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All amounts shown as debtors were due within a year

9. **Creditors**

	2020 £
Amounts falling due within one year	
Due to related entities	578,745
Other creditors	97,600,358
Accruals	3,000
	<u>£98,182,103</u>

10. **Deferred Taxation**

	At 31st December 2020	
	Provided £	Unprovided £
Losses carried forward	-	102,295
Deferred tax asset/(liability)	<u>-</u>	<u>£102,295</u>

The potential net deferred tax asset 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.

11. **Share Capital**

	2020 £
Allotted, called-up and fully paid:	
100 Ordinary shares of £0.01p each	1
	<u>£1</u>

12. **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.

13. **Controlling Party**

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

14. **Post Balance Sheet Events**

During 2021 the board undertook a review of the suitability of the company to continue to act as a payments services facilitator. It was decided that operations will be transferred to a related company on a temporary basis, whilst an in-depth review of the company's operating model is carried out.