Registered number: 11148681

COPPER TECHNOLOGIES (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTERED NUMBER:11148681

COPPER TECHNOLOGIES (UK) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note		Year ended 31 December 2019 £		As restated Period ended 31 December 2018 £
Fixed assets					
Intangible fixed assets	5		**389,959**		156,717
Tangible fixed assets	6		**5,351**		3,028
			395,310		159,745
Current assets					
Digital assets	7	**225,661**		28,574	
Debtors: amounts falling due within one year	8	**36,316**		35,918	
Cash at bank and in hand	9	**4,028,399**		33,176	
		4,290,376		97,668	
Creditors: amounts falling due within one year	10	**(755,846)**		(338,426)	
Net current assets/(liabilities)			**3,534,530**		(240,758)
Net assets/(liabilities)			**3,929,840**		(81,013)
Capital and reserves					
Called up share capital	11		**1,348**		1,000
Share premium account			**5,111,874**		149,970
Profit and loss account			**(1,183,382)**		(231,983)
			3,929,840		(81,013)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R D J Payne
Director

Date: 21 December 2020

The notes on pages 2 to 13 form part of these financial statements.

1. General information

Copper Technologies (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 17a Curzon Street, London, W1J 5HS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value, and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

On 30 January 2020, the World Health Organisation declared Covid-19 a public health emergency. Following the outbreak of Covid-19 the company took advantage of some of the economic measures put in place by the UK Government and the company adapted its operations and overhead base accordingly.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.4 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated .

2.5 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.6 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.8 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure comprise capitalised development costs. These costs are amortised on a straight line basis over 3 years once the initial development of the product has been completed.

Amortisation 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:

Development costs	over three years on straight line basis
Domain name	no amortisation

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are initially measured at historical cost and subsequently measured at historical cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.10 Impairment of fixed assets

At each reporting period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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 the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

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.

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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 payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Cryptocurrencies held on behalf of customers

Cryptocurrencies held on behalf of customers are subject to a control test to identify whether they are recognised on the company's balance sheet.

Cryptocurrencies held in wallets which are under the absolute control of the company are recognised on the company's balance sheet as a current asset, with a corresponding creditor due to the customer.

The valuation method is to use a market leading data provider blending multiple reliable prices into one and revaluing at the balance sheet date.

Cryptocurrencies wallets which are not under the absolute control of the company are not recognised and therefore not reflected on the company's balance sheet.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Digital assets

Digital assets classified as current assets comprise cryptocurrencies which are measured at fair value. Changes in fair value are recognised within the profit and loss account.

2. Accounting policies (continued)

2.18 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2018 - 6).

4. Taxation

The company has estimated losses of £665,624 (2018 - £129,500) available to carry forward against future taxable profits.

5. Intangible assets

	Domain name £	Development expenditure £	Total £
Cost			
At 1 January 2019	**11,168**	**145,549**	**156,717**
Additions	**-**	**294,595**	**294,595**
As 31 December 2019	**11,168**	**440,144**	**451,312**
Amortisation			
Charge for the year on owned assets	**-**	**61,353**	**61,353**
As 31 December 2019	**-**	**61,353**	**61,353**
Net book value			
As 31 December 2019	**11,168**	**378,791**	**389,959**
As 31 December 2018	11,168	145,549	156,717

Management consider the company's domain to have an infinite useful life and a residual value not materially different from the purchase cost. Management consider the market for domain names to be sufficiently liquid to reliably estimate its value and have confidence this will continue for the foreseeable future. Consequently, it is considered appropriate to not amortise the cost of the domain.

6. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2019	**3,379**
Additions	**3,885**
As 31 December 2019	**7,264**
Depreciation	
At 1 January 2019	**351**
Charge for the year on owned assets	**1,562**
As 31 December 2019	**1,913**
Net book value	
As 31 December 2019	**5,351**
As 31 December 2018	3,028

7. Digital assets

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Digital assets	**225,661**	28,574
	225,661	28,574

8. Debtors

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Trade debtors	**22,078**	-
Other debtors	**10,470**	13,895
Prepayments and accrued income	**3,768**	22,023
	36,316	35,918

9. Cash and cash equivalents

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Cash at bank and in hand	**4,028,399**	33,176
	4,028,399	33,176

10. Creditors: Amounts falling due within one year

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Trade creditors	**356,331**	159,000
Other taxation and social security	**121,530**	23,983
Other creditors	**247,896**	147,705
Accruals and deferred income	**30,089**	7,738
	755,846	338,426

11. Share capital

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Allotted, called up and fully paid		
111,111 (2018 - 100,000) Ordinary shares of £0.01 each	**1,111**	1,000
23,641 (2018 - nil) Series A shares of £0.01 each	**237**	-
	1,348	1,000

During the year, the company issued the following shares:

- 23,641 Series A shares of £0.01 each. The consideration received in respect of the shares allotted was £4,000,067.

- 11,111 Ordinary shares of £0.01 each. The consideration received in respect of the shares allotted was £999,990

12. Prior year adjustment

Prior period adjustments arose due to the following:

In the previous year, the intangible asset was amortised before fully completed and in use, resulting in the overstatement of administration expenses and the understatement of intangible assets by £5,208. Other creditors amounting to £35,200, rental deposit of £6,600 and rental expenses of £28,600 were not recorded in the financial statements. Therefore debtors, creditors and rental expenses were understated in the prior year.

The cumulative effect of these adjustments on the prior year administrative expense is an understatement of £23,392.

13. Post balance sheet events

On 23 April 2020, the company completed an extension to its Series A fundraising round, with a further £2,000,000 injected by new and existing shareholders.

14. Related party transactions

Included within other creditors is an amount owed to the director Dmitry Tokarev. At the balance sheet date this amounted to £27,344 (2018 - £87,278).

15. Controlling party

The company is controlled by the director Dmitry Tokarev, by virtue of his majority shareholding in the company.

16. Auditor's information

The auditor's report on the company's full financial statements was unqualified. Those financial statements were audited by Blick Rothenberg Audit LLP and the auditor's report thereon was signed by Darsh Shah (senior statutory auditor). 21/12/2020