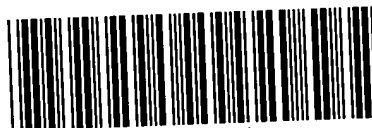


REGISTERED NUMBER: 11497305 (England and Wales)

Audited Financial Statements
for the Period
01 September 2019 to 31 December 2020
for
GEMINI EUROPE, LTD

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For the Period ended 31 December 2020**

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Company Information
For the Period ended 31 December 2020

DIRECTORS

Mr. C Winklevoss
Mr. B Halliday (appointed 28 July 2020)
Mr. M Breu (appointed 28 July 2020, resigned
10 February 2021)
Mr. J Sawyer (appointed 14 February,
resigned 28 July 2020)
Mr. T Winklevoss (resigned 14 February
2020)

SECRETARY

Vistra Cossec Limited

REGISTERED OFFICE

Suite 1, 3rd Floor
11 - 12 St. James's Square,
London, United Kingdom,
SW1Y 4LB

REGISTERED NUMBER

11497305 (England and Wales)

AUDITORS

Deloitte Ireland LLP
Deloitte & Touche
House 29,
Earlsfort Terrace,
Dublin 2
D02 AY28
Ireland

Strategic Report
For the Period ended 31 December 2020

Review of Business

Gemini Europe, Ltd (the "Company") is a private company, limited by shares, registered in England and Wales under the Companies Act 2006. The Company is a directly wholly owned subsidiary of Gemini Intergalactic, LLC ("the Parent"), a limited liability company registered and headquartered in the United States of America and an indirectly wholly owned subsidiary of Gemini Space Station, LLC ("Space Station"), a limited liability company registered and headquartered in the United States of America. The Company, the Parent, and Space Station are part of the Gemini corporate group of entities ("Gemini"). Gemini's primary activity is as a cryptocurrency exchange and custodian that allows customers to buy, sell and store digital assets.

The Company was incorporated on 2 August 2018 with its first accounting period running until 31 August 2019 (the "Prior Period"). The Prior Period financial statements were unaudited as the Company was entitled to exemption from audit under Section 477 of the Companies Act 2006. The current accounting period covers the 16-month period from 1 September 2019 to 31 December 2020 (the "Period"). This longer reporting period ended 31 December 2020 is presented to align the reporting period of the Company with that of Space Station and the Gemini group. Due to the varying length of the report periods, the amounts presented on the financial statements and related notes for the Period and Prior Period, are not entirely comparable.

On 19 August 2020, the Company was granted authorization to issue electronic money ("e-money") and provide payment services as an authorized electronic money institution ("EMI") by the Financial Conduct Authority ("FCA") under the Electronic Money Regulations 2011.

As an EMI authorized by the FCA, the Company's principal activity is to provide e-money services and payment processing services for UK users of the Gemini crypto exchange platform. The Company provides customers with an online Gemini account into which customers can lodge fiat funds (both pound sterling and euro) in exchange for e-money, at par value. The Company introduces these customers to Gemini Europe Services, Ltd, which allows the customers to use their e-money to buy crypto currencies offered on the Gemini crypto currency exchange. In exchange for these services the Company receives a service fee based on the Company earning a profit margin in excess of the costs incurred by the Company in providing these services, which are primarily staff and administrative related costs.

Following receipt of its EMI authorization in August 2020, the Company began trading and reports an operating profit of £93,351 (Prior Period: nil) for the Period. The Company has net current assets of £425,538 (Prior Period: £1). The Company has been profitable, has £318,475 of cash held at bank and £3,527,526 of customer deposits held at bank at the end of the Period.

Principal key performance indicators ("KPIs") used by management to monitor performance

The Company monitors KPIs to measure its performance against the key elements of its business strategy. These include supporting customer retention and growth, supporting the Gemini brand in the United Kingdom, continuing to develop and expand its fiat payment offerings and supporting risk management and compliance through robust anti-money laundering and "know your customer" processes.

As the Company only started accepting customer deposits in September 2020 after FCA approval to act as an authorized EMI was granted, the volume of new customer accounts and the percentage of actively trading customer accounts were deemed to be the primary KPIs for the Company during the Period. Based on the Company's business, these KPIs are an indicator of the Company's ability to effectively execute its business strategy and grow its customer base.

Strategic Report For the Period 01 ended 31 December 2020

During the Period ended 31 December 2020, the Company achieved 35% of its targeted new customer account volumes for its first 12 months of trading, despite trading commencing in late September 2020. This puts the Company 30% ahead of target. In terms of these customer accounts approximately 11.5% on average were actively trading as at 31 December 2020. Despite this KPI being below expectations when compared to group standards, when the shortened trading period is considered, the directors are satisfied that based on these current levels the Company was in line to exceed its targets for its first 12 months of trading.

Principal risks and uncertainties

The Company's financial risks and management of those risks is outline in Note 13 to the financial statements.

Regulatory Risk

The Company's business is highly integrated with that of an affiliate that currently provides services relating to digital assets. International or local governments may restrict the use and exchange of digital assets in the future. There is also uncertainty over the current and future accounting, tax, legal and regulatory requirements relating to digital assets or transactions utilizing digital assets. Any unfavorable government regulations, accounting, tax, legal or regulatory treatment of digital assets or transactions could materially and adversely affect the Company's business.

The Company and Gemini actively seeks out regulation and proactively engages with regulators to understand and embrace the evolving regulatory landscape of the crypto industry. The Company has a dedicated and experienced compliance team to ensure that the business and staff is fully informed of any relevant regulatory changes, financial service licensing options and operational impacts of new regulations.

Information Security Risks

The Company obtains and processes a large amount of sensitive data. Any real or perceived improper or unauthorized use of, disclosure of, or access to such data could harm the Company's reputation as a trusted brand, as well as have a material and adverse effect on its business. The Company has administrative, technical, and physical security measures in place, and has policies and procedures in place to contractually require third parties to whom it transfers data to implement and maintain appropriate privacy and security measures. However, if the Company's privacy and security measures or those of the previously mentioned third parties are inadequate or are breached as a result of third-party action, employee error, malfeasance, malware, phishing, hacking attacks, system error, software bugs or defects in its products, trickery, process failure, or otherwise, and, as a result, there is improper disclosure of or someone obtains unauthorized access to or misappropriates funds, or sensitive information, including personally identifiable information, on the Company's systems or its partners' systems, or if it suffers a ransomware or advanced persistent threat attack, or if any of the foregoing is reported or perceived to have occurred, the Company's reputation and business could be damaged. If the sensitive information is lost or improperly disclosed or threatened to be disclosed, the Company could incur significant liability, financial loss, and be subject to regulatory scrutiny and penalties, including costs associated with remediation. The Company has appropriate business continuity and response plans in place, as well as a highly skilled information security team in order to mitigate these risks.

Compliance Risks

As the Company is an authorized EMI with the FCA, the Company needs to meet compliance requirements related to, among other things, capital reserve requirements, customer funds safeguarding and conduct of business requirements. Failures to meet these compliance requirements may expose the Company to adverse penalties and consequences. The Company has a dedicated and experienced compliance team

Strategic Report
For the Period ended 31 December 2020

to ensure that the business and staff is fully informed of any relevant regulatory changes, financial service licensing options and operational impacts of new regulations.

Adverse Effects by the Occurrence of Extraordinary Events and Pandemics

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken several measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for their employees (such as social distancing and working from home). At this stage, the impact on Gemini's business and results has not been significant and based on our experience to date we expect this to remain the case. However, there is still uncertainty around the longer-term effects and timescale of the pandemic and as such ongoing monitoring and reassessment of the situation is required. The Company will continue to follow the various government policies and advice and manage its operations in the best and safest way possible without jeopardizing the health of the Company's employees.

By order of the board



Mr. Blair Halliday
Director

25 February 2022

Report of the Directors For the Period ended 31 December 2020

The directors present their report with the audited financial statements of Gemini Europe, Ltd (the "Company") for the Period ended 31 December 2020. The financial statements have been prepared under, and comply with, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102.

Please refer to the Strategic Report on pages 3 to 5 for review of business, key performance indicators and the principal risks and uncertainties of the Company.

Directors

The Directors who served during the Period and since the year end were:

Cameron Winklevoss	
Blair Halliday	(appointed 28 July 2020)
Michael Breu	(appointed 28 July 2020; resigned 10 February 2021)
Julian Richard Sawyer	(appointed 14 February 2020; resigned 28 July 2020)
Tyler Winklevoss	(resigned 14 February 2020)

Results and Dividends

The results for the Period are shown per the statement of comprehensive income on page 12.

The Directors do not recommend the payment of a dividend for the Period.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company has been profitable for the Period, with an available operating cash balance of £318,475 and is in a net asset position. On 29 April 2021, the Company's parent, Gemini Intergalactic, LLC, made a capital contribution totaling £1.05 million, without the issuance of new ordinary shares, which provided additional funding for the Company to support its continued growth. Together with the strong financial position, growth in the business and the continued support from its parent, the directors believe that the Company is well placed to manage its business risks successfully going forward and are satisfied that the Company has and will maintain sufficient financial resources to enable it to continue operating in the foreseeable future.

Subsequent events

The Company has performed an evaluation of events after the reporting period through the date the financial statements were issued. There were no additional material subsequent events that occurred between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements, outside of the items disclosed per note 15 to the financial statements.

Likely future developments

The directors anticipate growth in the coming financial year, with no changes to the principal activities of the company.

**Report of the Directors
For the Period ended 31 December 2020**

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that:

- a. so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b. that each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditors

On 16 December 2021, Deloitte Ireland LLP, chartered accountants and statutory audit firm, were appointed and will continue in office in accordance with section s489 of the Companies Act 2006.

By order of the Board

Blair Halliday

Mr. Blair Halliday
Director

25 February 2022

**Statement of Directors' Responsibilities
For the Period ended 31 December 2020**

The directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMINI EUROPE, LTD

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Gemini Europe, Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 15.

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).

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMINI EUROPE, LTD

Other information

The directors are responsible for the other information. The other information comprises the information included in the Audited Financial Statements, 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 always 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GEMINI EUROPE, LTD

- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 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.



Christian Macmanus (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Dublin, Ireland

Date: 25 February 2022

Statement of Comprehensive Income
For the Period ended 31 December 2020

		31 December	(Unaudited)
		2020	31 August
	Note	£	2019
			£
Turnover	3	1,821,555	-
Cost of sales		-	-
Gross Profit		1,821,555	-
Administrative expenses	4	(1,728,204)	-
Operating Profit	4	93,351	-
Interest expense and other similar charges		-	-
Profit on ordinary activities before taxation		93,351	-
Taxation	6	(17,814)	-
Profit for the year		75,537	-
Other comprehensive income		-	-
Profit for the period		75,537	-

The notes on pages 16 to 25 form part of these financial statements.

Statement of Financial Position
As at 31 December 2020

		31 December 2020 £	(Unaudited) 31 August 2019 £
Current assets			
Debtors	7	2,263,032	-
Customer deposits held at bank		3,527,526	-
Cash held at bank		318,475	-
		<u>6,109,033</u>	<u>1</u>
Creditors: amounts falling due within one year	8	<u>(5,683,495)</u>	<u>-</u>
Net current assets		425,538	1
Total assets less current liabilities		<u><u>425,538</u></u>	<u><u>1</u></u>
Capital and Reserves			
Share capital	10	350,001	1
Retained earnings		75,537	-
Shareholder's funds		<u><u>425,538</u></u>	<u><u>1</u></u>

The notes on pages 16 to 25 form part of these financial statements.

The financial statements were approved and authorized for use by the Board of Directors and were signed on its behalf on 25 February 2022

Blair Halliday

Mr. Blair Halliday
Director

25 February 2022

Statement of Changes in Equity
For the Period ended 31 December 2020

	Note	Called-up capital £	Retained Earnings £	Total £
Initial share capital issued	10	1	-	1
At 31 August 2019 (Unaudited)		1	-	1
Profit for the year		-	75,537	75,537
New shares issued	10	350,000	-	350,000
At 31 December 2020		350,001	75,537	425,538

Statement of cash flows
For the Period ended 31 December 2020

		31 December	(Unaudited)
		2020	31 August
	Note	£	2019
			£
Cash flow from operating activities			
Profit for the year		75,537	-
Adjustment for:			
Increase in debtors		(2,263,031)	(1)
Increase in creditors		5,683,495	-
Net cash flow from operating activities		3,496,001	(1)
Cash flows from financing activities			
Issue of ordinary share capital	10	350,000	1
Net cash flow from financing activities		350,000	1
Increase in cash and cash equivalents		3,846,001	-
Cash and cash equivalents at period beginning		-	-
Cash and cash equivalents at period end		<u>3,846,001</u>	<u>-</u>

Notes to the Financial Statements
For the Period ended 31 December 2020

1. GENERAL INFORMATION

Gemini Europe, Ltd ("the Company") is a private company, limited by shares, registered in England, and Wales under the Companies Act 2006. The Company is a wholly owned subsidiary of Gemini Intergalactic, LLC ("the Parent"), a limited liability company registered and headquartered in the United States of America. The company's registered address and registered number are given on page 2.

The presentation currency of the financial statements is the pound sterling (£).

2. ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and with the Companies Act 2006. The financial statements have been prepared on the historical cost convention.

b) Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Significant accounting judgements made by the Company include the determination of the level of revenue earned under contracts with group companies, which are established by applying the arm's length principle consistent with applicable transfer pricing guidelines. The Company performed benchmarking analysis to determine appropriate revenue ranges.

c) Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The Company derives its revenue predominately from the e-money and payment processing services that it provides to customers of Gemini Europe Services, Ltd, which is a fellow subsidiary of Gemini Intergalactic, LLC. The Company provides customers with an online Gemini account into which customers can lodge fiat funds (both pound sterling and euro) in exchange for e-money, at par value. The Company introduces these customers to Gemini Europe Services, Ltd, which allows the customers to use their e-money to buy crypto currencies offered on the Gemini crypto currency exchange. The service is considered to be provided over time, as it involves a number of acts over a period of time. The consideration received for these services is based on the operating expenses incurred by the Company in providing the services.

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

d) Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are recognized in the statement of comprehensive income and are included in administrative expenses.

e) Financial Instruments

The Company has chosen to account for financial instruments in accordance with Sections 11 and 12 of FRS 102.

The Company's financial assets and liabilities comprise trade and other receivables, cash and cash equivalents and trade and other payables. The accounting policies for these items are described below.

Basic financial instruments – financial assets other than equity investments

Trade and other receivables 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.

These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. Such balances are considered highly liquid with minimal risk of default and typically funds are received in less than 3 days.

Basic financial instruments - financial liabilities

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

f) Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis. All leases entered into throughout the course of the period were deemed to be operating leases.

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

g) Taxation

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it established provisions where deemed necessary.

3. TURNOVER

Turnover during the Period was as follows:

	31 December 2020 £	(Unaudited) 31 August 2019 £
Intragroup electronic money services	1,609,055	-
Intragroup outsourcing services	<u>212,500</u>	<u>-</u>
	<u>1,821,555</u>	<u>-</u>

Turnover is earned from related party services agreements as outlined in note 14.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	31 December 2020 £	(unaudited) 31 August 2019 £
Administrative expenses:		
Staff costs	806,102	-
Professional services	503,130	-
Other operating expenses	288,109	-
Operating lease charges	86,734	-
Foreign exchange gains	(38,671)	-
Auditors' remuneration	<u>82,800</u>	<u>-</u> (1)
	<u>1,728,204</u>	<u>-</u>

(1) The independent auditor did not provide any services to the Company other than audit services during the Period.

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

5. STAFF COSTS

Staff costs and numbers during the year were as follows:

	31 December 2020 £	(unaudited) 31 August 2019 £
Wages and salaries	720,075	-
Social security costs	83,291	-
Other benefits	2,735	-
Total staff costs	<u>806,102</u>	<u>-</u>

The average monthly number of employees (including executive directors) employed by the Company was 2 employees (2019: 0)

2 directors were remunerated by the Company during the period. The director's emoluments were as follows:

	31 December 2020 £	(unaudited) 31 August 2019 £
Directors' emoluments	308,125	-
Social security costs	35,027	-
Other benefits	(93)	-
	<u>343,059</u>	<u>-</u>

In respect of the highest paid director, aggregate remuneration for the Period was £191,456.

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

6. TAX

The major components of income tax expense for the periods ended 31 December 2020 and 31 August 2019 were:

	31 December 2020 £	(unaudited) 31 August 2019 £
<u>Current tax</u>		
UK corporation tax at 19% (2019: 19%)	17,814	-
Total current tax	17,814	-
 Tax on profit	 17,814	 -

The tax assessed on the profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are reconciled below:

	31 December 2020 £	(unaudited) 31 August 2019 £
Profit before taxation	93,351	-
 Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019– 19%)	 17,737	 -
Expenses not deductible for tax purposes	77	-
Total tax expense	17,814	-

The Company recognised nil deferred tax assets or liabilities as at 31 December 2020 (2019: nil).

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

7. DEBTORS

	31 December 2020 £	(unaudited) 31 August 2019 £
Amounts owed by group companies	1,944,146	1
Vendor advances	294,525	-
Prepayments	6,736	-
Deposits	17,625	-
	<u>2,263,032</u>	<u>1</u>

Amounts owed by group companies related to short term funding are interest free and have a rolling 365 day notice period. Amounts owed by group companies under the agreements as outlined in note 13 are due within 90 days. All debtors fall due in within one year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2020 £	(unaudited) 31 August 2019 £
Customer deposits	3,527,964	-
Amounts owed to group companies	1,901,768	-
Accounts payable and accrued expenses	253,763	-
	<u>5,683,495</u>	<u>-</u>

Amounts owed to group companies related to short term funding are interest free and have a rolling 365 day notice period. Amounts owed to group companies under the agreements as outlined in note 13 are due within 90 days. All creditors fall due in within one year.

Customer deposits are held in dedicated safeguarding accounts in the Company's name with LHV Pank and Clearbank Limited.

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

9. OBLIGATIONS UNDER LEASE CONTRACTS

In total, future minimum rentals payable under non-cancellable operating leases are as follows:

	31 December 2020 £	(unaudited) 31 August 2019 £
Not later than one year	4,913	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>4,913</u>	<u>-</u>

10. ALLOTTED AND ISSUED SHARE CAPITAL

	31 December 2020 £	(unaudited) 31 August 2019 £
<i>Allotted, issued and fully paid</i>		
Ordinary shares of £1 each	<u>350,001</u>	<u>1</u>

In August 2020, 350,000 ordinary shares with aggregate nominal value of £350,000 were allotted for cash at £1 each to the Company's parent. All shares have full rights in the Company with respect to voting, dividends, and distributions.

11. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	Foreign exchange movements £	At 31 December 2020 £
Customer Deposits held at bank	-	3,524,521	3,005	3,527,526
Cash held at bank	-	318,475	-	318,475

Total	-	3,842,996	3,005	3,846,001
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Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

12. FINANCIAL INSTRUMENTS

Financial instruments held by the Company were as follows:

	31 December 2020 £	(unaudited) 31 August 2019 £
Financial assets		
<i>Financial assets at fair value through profit or loss</i>		
Customer deposits held at bank	3,527,526	-
Cash held at bank	318,475	-
<i>Financial assets at amortised cost</i>		
Amounts owed by group companies	1,944,146	1
Other receivables	318,886	-
	<u>6,109,033</u>	<u>1</u>
Financial liabilities		
<i>Financial liabilities measured at fair value through profit or loss</i>		
Customer deposits	3,527,964	-
<i>Financial liabilities at amortised cost</i>		
Amounts owed to group companies	1,901,768	-
accounts payable and accrued expenses	253,763	-
	<u>5,683,495</u>	<u>-</u>

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

13. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the oversight and establishment of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management strategy and policies. As a result of commencing trade in the period, the Company now has exposure to various risks, however appropriate measures and methods have been put in place to manage these risks during the period.

Liquidity Risk

The Company's main risk exposure currently, is to liquidity risk from its operating activities. The Company actively monitors current cash flow requirements and forecasts future cash flows in order to maintain adequate levels of liquidity, which ensures there are sufficient funds available to maintain its operations. The Directors consider current cash balances to be sufficient to meet cash requirements.

Market risk

Market risk is the risk associated with the effect of changes in market factors on the value of the assets and liabilities held on the Company's statement of financial position, including interest rates, foreign exchange rates, prices of crypto assets, or volatilities such as market volatility or product liquidity.

Interest rate risk

The Company has cash held at bank and customer deposits held at bank of £3,846,001 as of 31 December 2020. These amounts are held with banks in interest bearing accounts. The Company's strategy primarily attempts to preserve capital and meet liquidity requirements without significantly increasing risk. A change in bank interest rates would primarily impact interest income recorded in the statement of comprehensive income. In a stress tested scenario of a 100 basis points increase or decrease in interest rates, there would be no material impact on the Company's financial results.

Foreign currency risk

The Company has exposure to foreign currency translation gains and losses arising from financial transaction denominated in a currency other than the Company's function currency. As a result, changes in exchange rates may affect the Company's future operating results upon translation. The Company's main foreign currency exposure is to U.S. dollars, primarily due to transactions with U.S. dollar functional currency group companies. At this time, the Company does not enter into derivatives or other financial instruments in order to hedge or manage its foreign exchange risk. In a stress tested scenario of a 10% increase or decrease in exchange rates, there would be no material impact on the Company's financial results.

Credit risk

The Company's cash held at bank and customer deposits held at bank of £3,846,001 as of 31 December 2020 are potentially subject to credit risk. Cash held at bank is placed with financial institutions which are of high credit quality. As of 31 December 2020, the Company has not experienced losses on its cash held at bank and believes the Company is not exposed to significant risk on such accounts.

Notes to the Financial Statements (Continued)
For the Period ended 31 December 2020

14. RELATED PARTY DISCLOSURES

The Company is a directly wholly owned subsidiary of Gemini Intergalactic, LLC and an indirectly wholly owned subsidiary of Gemini Space Station LLC, both of which are limited liability companies registered and headquartered in the United States of America.

During the Period, the Company entered into an agreement to provide e-money and customer introduction services with Gemini Europe Services, Ltd. The Company holds an EMI authorization with the FCA and as such is authorized to provide customers with an online Gemini account into which customers can lodge fiat funds (both pound sterling and euro) in exchange for e-money, at par value. The Company introduces these customers to Gemini Europe Services, Ltd, which allows the customers to use their e-money to buy crypto currencies offered on the Gemini crypto currency exchange. In exchange for these services the Company receives a service fee based on the Company earning a profit margin in excess of the costs incurred by the Company in providing these services. During the Period these fees totaled £1,609,055.

During the Period, the Company entered into an intra-group outsourcing agreement also with Gemini Europe Services, Ltd, whereby the Company agrees to provide staffing services including, but not limited to, management, finance, tax and compliance. The fee is based on a percentage of the Company employees' time spent providing these services to Gemini Europe Services, Ltd. Fees received under this agreement for the period ended 31 December 2020 totaled £ 212,500.

During the Period, the Company entered into a services agreement with Gemini Trust Company, LLC, an affiliate of the Company within the Gemini group, whereby Gemini Trust Company, LLC agrees to provide management and consulting services including, but not limited to, compliance, facilities, corporate development, customer support, sales, financial operations, accounting, technology, product management, marketing and communications, security, risk management and internal audit. The fee is based on a set fee schedule agreed annually. Costs incurred under this agreement for the period ended 31 December 2020 totaled £ 329,000. During the Period the Company also availed of short-term funding from Gemini Trust Company, LLC in relation to its operating costs. As of 31 December 2020, the Company has a net balance due to Gemini Trust Company of £1,826,865, which includes both short term funding repayable as well as fees due under the service agreement.

15. EVENTS AFTER THE REPORTING PERIOD

On 29 April 2021, the Company's parent Gemini Intergalactic, LLC made a capital contribution totaling GBP 1.05 million, without the issuance of new ordinary shares.

The Company has performed an evaluation of events after the reporting period through the date the financial statements were issued. There were no additional material subsequent events that occurred between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.