

Company Registration No. SC164481 (Scotland)

BITWISE GROUP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



BITWISE GROUP

COMPANY INFORMATION

Directors	Mr P McWhirter Ms A McWhirter Mr J B Clarke
Secretary	Ms K M O'Donnell
Company number	SC164481
Registered office	Crescent House Carnegie Campus Dunfermline Fife United Kingdom KY11 8GR
Auditor	Azets Audit Services Exchange Place 3 Semple Street Edinburgh United Kingdom EH3 8BL
Bankers	Clydesdale Bank 19 Stuart Street East Kilbride Glasgow United Kingdom G74 4NF
Solicitors	Brymer Legal 8B Rutland Square Edinburgh United Kingdom EH1 2AS

BITWISE GROUP

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BITWISE GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

During the financial year, the company changed its principal activity from that of property rental to the purchase, restoration and sale of classic cars and parts.

Directors

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

Mr P McWhirter
Ms A McWhirter
Mr J B Clarke

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On 7 September 2020 Group Audit Services Limited, trading as Scott Moncrieff Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

BITWISE GROUP

DIRECTORS' REPORT (CONTINUED)

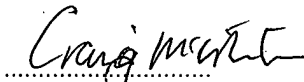
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



Mr P McWhirter

Director

Date: 10/05/21

BITWISE GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BITWISE GROUP

Opinion

We have audited the financial statements of Bitwise Group (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2020 and of its loss for the year 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 company'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.

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year 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.

BITWISE GROUP

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BITWISE GROUP

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 where 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
- 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BITWISE GROUP

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

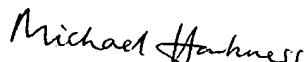
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.



Mike Harkness (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

10 May 2021

Chartered Accountants
Statutory Auditor

Exchange Place 3
Semple Street
Edinburgh
United Kingdom
EH3 8BL

BITWISE GROUP

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	258,071	130,000
Cost of sales		(261,872)	-
Gross (loss)/profit		(3,801)	130,000
Administrative expenses		(60,486)	(93,222)
Other operating income		137,105	250,000
Operating profit	4	72,818	286,778
Interest receivable and similar income		2,548	4,925
Interest payable and similar expenses		(15,104)	(10,633)
Loss on change in fair value of investment property	6	(55,000)	-
Profit before taxation		5,262	281,070
Tax on profit	7	(16,048)	(13,585)
(Loss)/profit for the financial year		(10,786)	267,485
Retained earnings at the beginning of the year		1,524,440	1,256,955
Retained earnings at the end of the year		1,513,654	1,524,440

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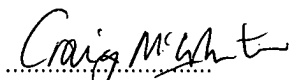
BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8	1,352,039		861,697	
Investment properties	9	140,000		195,000	
Investments	10	25,000		25,000	
		<u>1,517,039</u>		<u>1,081,697</u>	
Current assets					
Stocks		2,278,086		-	
Debtors	11	113,582		182,591	
Investments	12	-		1,207,398	
Cash at bank and in hand		105,517		240,153	
		<u>2,497,185</u>		<u>1,630,142</u>	
Creditors: amounts falling due within one year	13	(38,946)		(58,633)	
Net current assets		<u>2,458,239</u>		<u>1,571,509</u>	
Total assets less current liabilities		<u>3,975,278</u>		<u>2,653,206</u>	
Creditors: amounts falling due after more than one year	14	(2,454,254)		(1,120,649)	
Provisions for liabilities	15	(7,270)		(8,017)	
Net assets		<u><u>1,513,754</u></u>		<u><u>1,524,540</u></u>	
Capital and reserves					
Called up share capital	16	100		100	
Profit and loss reserves		1,513,654		1,524,440	
Total equity		<u><u>1,513,754</u></u>		<u><u>1,524,540</u></u>	

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

The financial statements were approved by the board of directors and authorised for issue on 10/05/21 and are signed on its behalf by:



Mr P McWhirter
Director

Company Registration No. SC164481

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Bitwise Group is a private company limited by shares incorporated in Scotland. The registered office is Crescent House, Carnegie Campus, Dunfermline, Inverkeithing, Fife, United Kingdom, KY11 8GR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the rent received or receivable, provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation 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:

Freehold land and buildings	2% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

During the year the Directors re-estimated that the useful life of the Carnegie House property had increased to 50 years. As a result the depreciation rate has reduced from 4.5% to 2% per annum.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2020	2019
	£	£
Other significant revenue		
Interest income	2,548	4,925
Rent receivable	137,105	-

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating profit

Operating profit for the year is stated after charging:	2020	2019
	£	£
Exchange differences	57	121
Auditor's remuneration	3,000	2,366
Depreciation of tangible fixed assets owned by the company	30,018	42,968

5 Employees

The Company has no employees other than directors, who did not receive any remuneration (2019 - £nil).

6 Amounts written off investments

	2020	2019
	£	£
Fair value gains/(losses)		
Changes in the fair value of investment properties	(55,000)	-

7 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	16,795	13,298
Adjustments in respect of prior periods	-	(360)
Total current tax	16,795	12,938
Deferred tax		
Origination and reversal of timing differences	(747)	647
Total tax charge	16,048	13,585

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2019 - 19%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2020	960,405
Additions	520,360
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At 31 December 2020	1,480,765
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Depreciation and impairment	
At 1 January 2020	98,708
Depreciation charged in the year	30,018
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At 31 December 2020	128,726
	<hr/>
Carrying amount	
At 31 December 2020	1,352,039
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At 31 December 2019	861,697
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During the year the Directors re-estimated that the useful life of the Carnegie House property had increased to 50 years. As a result the depreciation charge for was reduced by £13,200 and the Statement of Income and Retained Earnings was credited this amount in the current year in order to reflect this change in useful life.

9 Investment property

	2020 £
Fair value	
At 1 January 2020	195,000
Revaluations	(55,000)
	<hr/>
At 31 December 2020	140,000
	<hr/>

The investment property was valued at open market value on 31 December 2020 by an independent valuer, Graham and Sibbald.

10 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	25,000	25,000
	<hr/>	<hr/>

Fixed asset investments not carried at market value

Investment property is measured at cost at initial recognition and subsequently measured at fair value at each reporting date with changes in fair value recognised in the Statement of Income and Retained Earnings.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 January 2020 & 31 December 2020	25,000
Carrying amount	
At 31 December 2020	25,000
At 31 December 2019	25,000

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	12,032	8,603
Amounts owed by group undertakings	-	172,545
Other debtors	101,550	1,443
	<u>113,582</u>	<u>182,591</u>

12 Current asset investments

	2020 £	2019 £
Other investments	-	1,207,398

At the beginning of the financial year the company's principal activity changed to the purchase, restoration and sale of classic cars and parts. Therefore, the classic cars that were previously held as current asset investments were transferred to stock. The total amount of current asset investments transferred to stock was £1,207,398.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2020**

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	10,651	20,600
Amounts owed to group undertakings	8,500	20,000
Corporation tax	16,795	13,298
Other creditors	3,000	4,735
	<u>38,946</u>	<u>58,633</u>

14 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Amounts owed to group undertakings	<u>2,454,254</u>	<u>1,120,649</u>

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	7,270	8,017
Movements in the year:		2020 £
Liability at 1 January 2020		8,017
Credit to profit or loss		(747)
Liability at 31 December 2020		7,270

16 Called up share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
100 Ordinary of £1 each	100	100

Ordinary shares have full voting and participation rights.

17 Parent company

The ultimate controlling party is deemed to be P C McWhirter who owns 100% of Nesco Holding BV, a company registered in the Netherlands, which itself owns 100% of Bitwise Group BV which is the immediate parent company of Bitwise Group Limited. The registered address of Nesco Holding BV is Udenseweg 33A, 5411 SD Zeeland, Netherlands.

18 Non-audit services provided by auditor

In common with many other businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

BITWISE GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Related party transactions

During the year Bitwise Limited, a fellow subsidiary, used the property owned by Bitwise Group Limited for their company trade and a commercial rent of £137,105 (2019: £130,000). Bitwise Limited also incurred costs of £15,749 (2019: £16,721) on behalf of the company and charged the company a management charge of £8,500 (2019: £20,000) during the year. At the year end £8,500 (2019: £21,351) was due to Bitwise Limited.

Bitwise Limited loaned the company £818,500 during year. The amount outstanding at the year end is £818,500 (2019: £nil). No interest accrued on this loan.

During the year the loan received from Nesco Holding BV the ultimate holding company and in which P C McWhirter, a director, is a controlling shareholder was increased by £500,000 from £1,105,000 in the previous year. Interest of £16,468 (2019: £10,663) has accrued in the year. At the year end, £1,635,754 (2019: £1,120,649) was due to Nesco Holding BV.

Bitwise Group Limited incurred management charges of £10,000 due to Bitwise Group BV (2019: £10,000). At the year end £10,000 (2019: £20,000) was owed to Bitwise Group BV.

Nesco Holding BV has a majority shareholding in KDM Shopfitting Limited. During the year there was transactions totalling £nil (2019: £4,920) with KDM Shopfitting Limited. Bitwise Group Limited also loaned KDM Shopfitting Limited £250,000 in 2018. Repayments were made during the year of £173,742, £2,548 of which related to interest on the loan. £nil (2019: £171,194) was due from KDM Shopfitting Limited at the year end.

Bitwise Group Limited incurred costs on behalf of Estonian Estates OU of £nil (2019: £8,605 incurred but not recharged). The amount recharged and outstanding at the year end was £nil (2019: £8,605).