



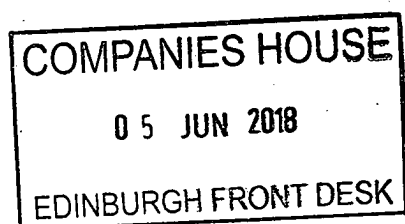
Scott-Moncrieff
business advisers and accountants

BITWISE RESOURCES LIMITED

Company registration number SC257093

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



BITWISE RESOURCES LIMITED

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BITWISE RESOURCES LIMITED

COMPANY INFORMATION

Directors	P C McWhirter A McWhirter J B Clarke
Company secretary	CCW Secretaries Limited
Registered number	SC257093
Registered office	Crescent House Carnegie Campus Dunfermline KY11 8GR
Independent auditor	Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL
Bankers	Royal Bank of Scotland plc 36 St Andrews Square Edinburgh EH2 2AD
Solicitors	CCW LLP Crescent House Carnegie Campus Dunfermline KY11 8GR

BITWISE RESOURCES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 for the company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

P C McWhirter
A McWhirter
J B Clarke

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

BITWISE RESOURCES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies within part 15 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



P C McWhirter
Director

Date: 18/5/18

BITWISE RESOURCES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BITWISE RESOURCES LIMITED

Opinion

We have audited the financial statements of Bitwise Resources Limited for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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.

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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

BITWISE RESOURCES LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- 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.

BITWISE RESOURCES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BITWISE RESOURCES LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Michael Harkness

**Michael Harkness (Senior Statutory Auditor)
for and on behalf of
Scott-Moncrieff Chartered Accountants, Statutory Auditor**

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:

18 May 2018

BITWISE RESOURCES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	764,110	3,474,513
Cost of sales		(658,015)	(2,765,277)
Gross profit		106,095	709,236
Administrative expenses		(15,652)	(38,666)
Operating profit		90,443	670,570
Interest payable and expenses		-	(68,118)
Profit before tax		90,443	602,452
Tax on profit	7	87,470	(118,493)
Profit after tax		177,913	483,959
Retained earnings at the beginning of the year		369,095	(114,864)
		369,095	(114,864)
Profit for the year		177,913	483,959
Retained earnings at the end of the year		547,008	369,095

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 13 form part of these financial statements.

BITWISE RESOURCES LIMITED
REGISTERED NUMBER: SC257093

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Stocks		-	580,001
Debtors: amounts falling due within one year	8	350	104,047
Cash at bank and in hand		570,435	67,063
		<u>570,785</u>	<u>751,111</u>
Creditors: amounts falling due within one year	9	(22,777)	(381,016)
Net current assets		<u>548,008</u>	<u>370,095</u>
Total assets less current liabilities		<u>548,008</u>	<u>370,095</u>
Net assets		<u><u>548,008</u></u>	<u><u>370,095</u></u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	547,008	369,095
		<u><u>548,008</u></u>	<u><u>370,095</u></u>

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 Section 1A 'Small Entities' of Financial Reporting Standard 102.

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

Craig McWhirter

P C McWhirter
 Director

Date: 18/5/18

The notes on pages 9 to 13 form part of these financial statements.

BITWISE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2017.

The continuing activity of Bitwise Resources Limited is that of property development.

Bitwise Resources Limited is a private company limited by shares incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company registration number is SC257093.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies (see note 3).

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under FRS 102.

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the company are of the opinion that the company can meet its obligations as they fall due for the foreseeable future and as consequence have prepared the financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BITWISE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 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.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BITWISE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently.

4. Turnover

All turnover arose within the United Kingdom and is attributable to the principal activity of the company.

5. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	2,362	2,293
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services	2,132	2,488
	2,132	2,488

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

BITWISE RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	17,407	118,493
Adjustments in respect of previous periods	(104,877)	-
	<u>(87,470)</u>	<u>118,493</u>
Total current tax	<u><u>(87,470)</u></u>	<u><u>118,493</u></u>

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 19.25% (2016 - 20%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Debtors

	2017 £	2016 £
Other debtors	-	6,164
Prepayments and accrued income	350	97,883
	<u>350</u>	<u>104,047</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	2,291
Amounts owed to group undertakings	-	212,520
Corporation tax	17,407	118,493
Other creditors	-	41,978
Accruals and deferred income	5,370	5,734
	<u>22,777</u>	<u>381,016</u>

BITWISE RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Ordinary shares have full voting and participation rights.

11. Reserves

Profit and loss account

The profit and loss account includes all current and prior year retained profit and losses.

12. Related party transactions

At the year end, the company had a loan outstanding of £nil (2016: £212,520) due to Bitwise Limited, a company owned by Bitwise Group BV in which P C McWhirter, a director, is a controlling shareholder. No interest was charged on this loan in the years 2017 and 2016.

13. Controlling party

The ultimate controlling party is deemed to be P C McWhirter, a director.

14. Other professional services provided by the auditor

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