

**CRYPTOPAY LTD  
DIRECTOR'S REPORT AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Cryptopay Ltd**  
**Director's Report and Unaudited Financial Statements**  
**For The Year Ended 31 December 2018**

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**Cryptopay Ltd**  
**Company Information**  
**For The Year Ended 31 December 2018**

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<b>Director</b>	Mr Dmitrii Guniashov
<b>Company Number</b>	08730592
<b>Registered Office</b>	The Wework Building 12 Hammersmith Grove London England W6 7AP
<b>Business</b>	The Wework Building 12 Hammersmith Grove London England W6 7AP

**Cryptopay Ltd**  
**Company No. 08730592**  
**Director's Report For The Year Ended 31 December 2018**

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The director presents his report and the financial statements for the year ended 31 December 2018.

**Principal Activity**

The company's principal activity continues to be that of other information technology service activities.

**Incorporation**

The company was incorporated on 14 October 2013 and commenced trading on 14 October 2013.

**Directors**

The directors who held office during the year were as follows:

Mr Dmitrii Guniashov

**Small Company Rules**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board

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**Mr Dmitrii Guniashov**

**27 November 2019**

**Cryptopay Ltd**  
**Profit and Loss Account**  
**For The Year Ended 31 December 2018**

	31 December 2018	31 December 2017
Notes	£	£
<b>TURNOVER</b>	2,481,005	2,374,928
Cost of sales	(748,477 )	(549,141 )
	<hr/>	<hr/>
<b>GROSS PROFIT</b>	1,732,528	1,825,787
Administrative expenses	(2,339,676 )	(1,276,696 )
	<hr/>	<hr/>
<b>OPERATING PROFIT/(LOSS)</b>	(607,148 )	549,091
Other interest receivable and similar income	2,827	2,580
Interest payable and similar charges	(32,639 )	(51,957 )
	<hr/>	<hr/>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	(636,960 )	499,714
Tax on Profit/(Loss)	121,022	(96,717 )
	<hr/>	<hr/>
<b>PROFIT/(LOSS) AFTER TAXATION BEING PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	(515,938 )	402,997
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The notes on pages 7 to 10 form part of these financial statements.

**Cryptopay Ltd**  
**Balance Sheet**  
**As at 31 December 2018**

		31 December 2018		31 December 2017	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible Assets	4		493,934		141,543
			<u>493,934</u>		<u>141,543</u>
<b>CURRENT ASSETS</b>					
Debtors	5	465,821		235,396	
Cash at bank and in hand		1,568,482		1,618,371	
		<u>2,034,303</u>		<u>1,853,767</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	6	(28,885 )		(838,894 )	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>2,005,418</u>		<u>1,014,873</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,499,352</u>		<u>1,156,416</u>
<b>Creditors: Amounts Falling Due After More Than One Year</b>	7		(2,658,970 )		(552,950 )
<b>NET ASSETS</b>			<u>(159,618 )</u>		<u>603,466</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		200		200
Profit and Loss Account			(159,818 )		603,266
<b>SHAREHOLDERS' FUNDS</b>			<u>(159,618)</u>		<u>603,466</u>

**Cryptopay Ltd**  
**Balance Sheet (continued)**  
**As at 31 December 2018**

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For the year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Director's responsibilities**

- The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board

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**Mr Dmitrii Guniashov**

**27 November 2019**

The notes on pages 7 to 10 form part of these financial statements.

**Cryptopay Ltd**  
**Statement of Changes in Equity**  
**For The Year Ended 31 December 2018**

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	<b>Share Capital</b>	<b>Profit and Loss Account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 November 2016	200	200,269	200,469
Profit for the period and total comprehensive income	-	402,997	402,997
As at 31 December 2017 and 1 January 2018	<u>200</u>	<u>603,266</u>	<u>603,466</u>
Loss for the year and total comprehensive income	-	(515,938 )	(515,938)
Dividends paid	-	(247,146)	(247,146)
As at 31 December 2018	<u>200</u>	<u>(159,818 )</u>	<u>(159,618)</u>

The notes on pages 8 to 11 form part of these financial statements.

**Cryptopay Ltd**  
**Notes to the Financial Statements**  
**For The Year Ended 31 December 2018**

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**1. Accounting Policies**

**1.1. Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

**1.2. Turnover**

The company revenue is derived from cryptocurrency transactional services, where a user of the company's services can buy and sell cryptocurrencies. The company charges fixed transaction fees to provide this service. Revenue is recognised at the point of trade and settlement is instantly transferred into the company bank account.

**1.3. Intangible Fixed Assets and Amortisation - Other Intangible**

Intangible assets represent certain website development costs that meet the recognition criteria to qualify for recognition as an asset. The website is developed for internal and external access and contains the service that is being sold to the customers. Intangible assets are amortised to profit and loss account over its estimated useful life.

**1.4. Foreign Currencies**

The Company's functional and presentational currency is GBP.

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**1.5. Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**1.6. Other Accounting Policies**

**Debtors**

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**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.

**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.

**Cryptopay Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2018**

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**1.7. Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and they are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Money and digital currencies held on behalf of clients**

The company holds funds on behalf of its customers in the form of fiat currencies and cryptocurrencies. The company operates one customer deposit bank account at a financial institution in Europe where fiat currencies on behalf of the clients are held.

Considering Cryptopay Ltd has no intention to use customers' funds in its business activities and does not receive any rewards from them the company does not recognise funds held on behalf of its customers as a corresponding asset and liability on the Balance Sheet.

**2. Average Number of Employees**

The average number of employees during the period 01 January 2018 to 31 December 2018 was 4 (period to 31 August 2017: 1).

Director's remuneration (salary and dividend combination) constitute a transaction concluded under normal market conditions.

**3. Financial commitments, guarantees and contingencies**

**Guarantee**

During the period ended 31 December 2018 Cryptopay Ltd has become a guarantor of the £306,000 loan given to the related party (company under common control) by its director. The loan is due to be repaid by the company under common control after more than one year since 31 December 2018.

**Contingent liability**

Cryptopay Ltd acquires services from businesses who are based outside the UK. The company may be the subject to value added tax (VAT) reverse charge which may result into additional tax liability. However, it is not possible to make any reasonable estimates about the likelihood, effect and magnitude of this contingency on the financial performance and financial position of the company.

**4. Intangible Assets**

	<b>Website Development</b>
	<b>£</b>
<b>Cost</b>	
As at 1 January 2018	141,543
Additions	488,418
As at 31 December 2018	<u>629,961</u>
<b>Amortisation</b>	
As at 1 January 2018	-
Provided during the period	136,027
As at 31 December 2018	<u>136,027</u>
<b>Net Book Value</b>	
As at 31 December 2018	<u>493,934</u>
As at 1 January 2018	<u>141,543</u>

**Cryptopay Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2018**

**5. Debtors**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	20,917	-
	<u>20,917</u>	<u>-</u>
<b>Due after more than one year</b>		
Loans Issued	323,882	235,396
Deferred tax asset	121,022	-
	<u>444,904</u>	<u>235,396</u>
	<u><u>465,821</u></u>	<u><u>235,396</u></u>

**6. Creditors: Amounts Falling Due Within One Year**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>£</b>	<b>£</b>
Corporation tax	-	96,717
Borrowings	-	544,556
Accounts Payable	28,885	67,064
Accruals and deferred income	-	58,557
Director's loan account	-	72,000
	<u>28,885</u>	<u>838,894</u>
	<u><u>28,885</u></u>	<u><u>838,894</u></u>

The unsecured, interest free, repayable on demand loan from director of 72,000 GBP as at 31.12.2017 was repaid in full during 2018 FY.

The 544,556 GBP principal and 58,557 GBP accrued interest on loan from the company holding a participating interest in Cryptopay Ltd was repaid in full during 2018 FY.

**7. Creditors: Amounts Falling Due After More Than One Year**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>£</b>	<b>£</b>
Borrowings > 1 year	2,658,970	552,950
	<u>2,658,970</u>	<u>552,950</u>
	<u><u>2,658,970</u></u>	<u><u>552,950</u></u>

**Cryptopay Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2018**

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**8. Share Capital**

			31 December 2018	31 December 2017
Allotted, Called up and fully paid			200	200
	Value	Number	31 December 2018	31 December 2017
<b>Allotted, called up and fully paid</b>	£		£	£
Ordinary A shares	1.00	170	170	170
Ordinary C shares	1.00	30	30	30
		200	200	200

**9. Controlling Party**

The company's ultimate controlling parties as of 31 December 2018 were Mr Dmitrii Guniashov and Mr Georgii Basiladze.

**10. Off-Balance Sheet Arrangements**

The company holds funds on behalf of its customers in the form of fiat currencies and cryptocurrencies. At 31 December 2018 the total value of clients' fiat money and clients' cryptocurrencies held was £14,268,372 (at 31 December 2017: £63,413,283).

**11. Post balance sheet events**

Mr Denis Sorokin has been appointed as a person with significant control from dated 27/02/2019.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.