

Token Group Limited**Registered number:** 11098384**Balance Sheet****as at 30 June 2022**

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	5	100,000	109,491
Investments	6	1,349	4
		<u>101,349</u>	<u>109,495</u>
Current assets			
Debtors	8	81,793	-
Cash at bank and in hand		6,049	18,550
		<u>87,842</u>	<u>18,550</u>
Creditors: amounts falling due within one year	9	(2,665,944)	(2,468,471)
Net current liabilities		<u>(2,578,102)</u>	<u>(2,449,921)</u>
Net liabilities		<u>(2,476,753)</u>	<u>(2,340,426)</u>
Capital and reserves			
Called up share capital		20	4
Share premium		984	-
Profit and loss account		(2,477,757)	(2,340,430)
Shareholders' funds		<u>(2,476,753)</u>	<u>(2,340,426)</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

D Hoggard

Director

Approved by the board on 30 March 2023

Token Group Limited
Notes to the Accounts
for the year ended 30 June 2022

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard) and the requirements of the Companies Act 2006 as applicable to the small companies' regime.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

At 30 June 2022 the company had net liabilities of £2,476,753, including £2,654,124 owed to Tokencard Limited, a wholly owned subsidiary. The company and group is funded through an initial coin offering undertaken by another wholly owned subsidiary, Monolith Limited. The directors have confirmed that Monolith Limited will continue to support the company for at least one year from the date of the approving of the financial statements and has the ability to do so. There is no current requirement to repay the amount owed to Tokencard Limited either. As such the financial statements have been prepared on a going concern basis.

The directors have considered all available information, including the volatility in cryptocurrency markets, when assessing going concern. While the company is still in its development phase, disruptive technology and alternative finance have shown strong performance with digital adoption in the UK high. The company and group also carefully monitors its cryptocurrency balances to ensure market forces are taken into account when dealing with the treasury function. The directors have considered a number of forecasted outcomes, including a worst case scenario, where expected revenues are not achieved and are confident that the company and group will have sufficient funds to meet its liabilities as they fall due.

Intangible fixed assets other than goodwill

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Domain names 5 years straight line

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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in

order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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 instruments

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.

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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Domain name

Included within intangible assets is a domain name purchased during the prior periods and initially recognised at cost. At the balance sheet date an impairment review is conducted with reference to a number of third party valuation services and the carrying value of the asset adjusted where there is evidence of impairment.

3 Employees

	2022	2021
	Number	Number
Average number of persons (including directors) employed by the company	<u>2</u>	<u>2</u>

4 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in administrative expenses in profit or loss:

			2022	2021
			£	£
In respect of	Note			
Intangible assets	5		9,491	14,084

5 Intangible fixed assets £

Domain names:

Cost

At 1 July 2021	150,000
At 30 June 2022	150,000

Amortisation and impairment

At 1 July 2021	40,509
impairment losses	9,491
At 30 June 2022	50,000

Net book value

At 30 June 2022	100,000
At 30 June 2021	109,491

6 Fixed asset investments

	Investments in subsidiary undertakings and participating interests	Total
	£	£
Cost		
At 1 July 2021	4	4
Additions	1,345	1,345
At 30 June 2022	1,349	1,349

7 Subsidiaries and participating undertakings

Details of the company's subsidiaries and participating undertakings at 30 June 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held direct	% Held indirect
Monolith Limited	Gibraltar	Ordinary shares	100	-
Tokencard Limited	United Kingdom	Ordinary shares	100	-
Token App Limited	United Kingdom	Ordinary shares	100	-
Monolith Group Limited	United Kingdom	Ordinary shares	100	-
Monolith Card (Portugal), Sociedade Unipessoal Lda	Portugal	Ordinary shares	-	100

Monolith App (Portugal), Sociedade Unipessoal Lda	Portugal	Ordinary shares	-	100
Token.com Servicos Digitais Ltda	Brazil	Ordinary shares	50	-
UAB Belela	Lithuania	Ordinary shares	-	100

Subsequent to the year end an application to strike off Token App Limited has been made and is in progress.

8 Debtors	2022	2021
	£	£

Amounts owed by group undertakings and undertakings in which the company has a participating interest

81,793	-
<u>81,793</u>	<u>-</u>

9 Creditors: amounts falling due within one year	2022	2021
	£	£

Trade creditors - 5,816

Amounts owed to group undertakings and undertakings in which the company has a participating interest

2,654,124 2,442,062

Other creditors

11,820 20,593

<u>2,665,944</u>	<u>2,468,471</u>
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10 Related party transactions

During the year the company issued 16 ordinary shares of £1 each to the directors in exchange for 1,000,000 ordinary shares of £0.001 in Monolith Group Ltd.

Included in amounts owed by group undertakings and undertakings in which the company has a participating interest at the year end is a balance of £81,793 (2021:£nil) due from Token.com Servicos Digitais Ltda a company in which the parent company Token Group has a participating interest.

The company has taken advantage of exemption available in FRS Section 33.1A not to disclose transactions with any fellow wholly owned group companies.

11 Controlling party

The registered address is One St Peter's Square, Manchester, United Kingdom, M2 3DE. There is no single controlling party.

12 Other information

Token Group Limited is a private company limited by shares and incorporated in England. Its registered office is:

One St Peter's Square
Manchester
M2 3DE

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