

# Token Group Limited

## Annual Report and Financial Statements

For the year ended 30 June 2019

Company Registration No. 11098384 (England and Wales)

# Token Group Limited

## Company Information

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<b>Directors</b>	M Gelderman D Hoggard
<b>Company number</b>	11098384
<b>Registered office</b>	One St Peter's Square Manchester M2 3DE
<b>Auditor</b>	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
<b>Business address</b>	300 St John Street London EC1V 4PA

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# Token Group Limited

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# Token Group Limited

## Directors' Report

For the year ended 30 June 2019

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The directors present their annual report and audited financial statements for the year ended 30 June 2019. The prior period was a short period of account from the date of incorporation on 6 December 2017 to 30 June 2018.

### Principal activities

The principal activity of the company is that of a holding company.

### Directors

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

M Gelderman

D Hoggard

### Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the company will be put at a General Meeting.

### 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.

### Going concern

The directors have considered the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the company in the near future. While the company and group are still in their development phase, disruptive technology and alternative finance have shown strong performance during the pandemic with digital adoption in the UK high. The group also carefully monitors its cryptocurrency balances to ensure market forces are taken into account when dealing with the treasury function. At this current time the directors do not envisage that the ongoing global pandemic will impact the carrying value of the group's assets or the ongoing trading activities and therefore, the going concern status of the company.

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

On behalf of the board

D Hoggard

Director

3 June 2021

# Token Group Limited

## Directors' Responsibilities Statement

For the year ended 30 June 2019

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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.

# Token Group Limited

## Independent Auditor's Report

To the Members of Token Group Limited

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### Opinion

We have audited the financial statements of Token Group Limited (the 'company') for the year ended 30 June 2019 which comprise the Profit And Loss Account, the Balance Sheet and 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 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 30 June 2019 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

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.

### 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.

# Token Group Limited

## Independent Auditor's Report (Continued)

### To the Members of Token Group Limited

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#### **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.

#### **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.

# Token Group Limited

## Independent Auditor's Report (Continued)

### To the Members of Token Group Limited

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As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

**Thomas Moore (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

4 June 2021

**Chartered Accountants**  
**Statutory Auditor**

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD



# Token Group Limited

## Profit and loss account

For the year ended 30 June 2019

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	<b>Year ended 30 June 2019 £</b>	<b>7 months ended 30 June 2018 £</b>
Administrative expenses	(103,481)	(2,106,390)
Interest receivable and similar income	131	2
<b>Loss before taxation</b>	<b>(103,350)</b>	<b>(2,106,388)</b>
Taxation	-	-
<b>Loss for the financial year</b>	<b>(103,350)</b>	<b>(2,106,388)</b>

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The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# Token Group Limited

## Balance Sheet

As at 30 June 2019

		2019	2018
	Notes	£	£
<b>Fixed assets</b>			
Intangible assets		123,575	150,000
Investments	6	3	3
		<u>123,578</u>	<u>150,003</u>
<b>Current assets</b>			
Debtors	8	-	6,049
Cash at bank and in hand		103,315	4,004,786
		<u>103,315</u>	<u>4,010,835</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,436,627)</u>	<u>(6,267,222)</u>
<b>Net current liabilities</b>		<u>(2,333,312)</u>	<u>(2,256,387)</u>
<b>Total assets less current liabilities</b>		<u><u>(2,209,734)</u></u>	<u><u>(2,106,384)</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	4	4
Profit and loss reserves		<u>(2,209,738)</u>	<u>(2,106,388)</u>
<b>Total equity</b>		<u><u>(2,209,734)</u></u>	<u><u>(2,106,384)</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 3 June 2021 and are signed on its behalf by:

D Hoggard  
Director

Company Registration No. 11098384

# Token Group Limited

## Notes to the Financial Statements

For the year ended 30 June 2019

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### 1 Accounting policies

#### Company information

Token Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is One St Peter's Square, Manchester, United Kingdom, M2 3DE.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with section 1A of 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.

In the current year the financial statements have been prepared for a period of 12 months. In the prior year the financial statements were prepared for the short period of account from the date of incorporation on 6 December 2017 to 30 June 2018.

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 pound.

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

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.

#### 1.2 Going concern

At 30 June 2019 the company had net liabilities of £2,209,734, including £2,423,515 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 the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the company in the near future. While the company and group are still in their development phase, disruptive technology and alternative finance have shown strong performance during the pandemic with digital adoption in the UK high. The group also carefully monitors its cryptocurrency balances to ensure market forces are taken into account when dealing with the treasury function. At this current time the directors do not envisage that the ongoing global pandemic will impact the carrying value of the group's assets or the ongoing trading activities and therefore, the going concern status of the company.

#### 1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

# Token Group Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

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### 1 Accounting policies

(Continued)

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 name	5 years straight line
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#### 1.4 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.

#### 1.5 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.

#### 1.6 Cash at bank and in hand

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

# Token Group Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

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### 1 Accounting policies

(Continued)

#### 1.7 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.

##### **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.

#### 1.8 Equity instruments

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

#### 1.9 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 are included in the profit and loss account for the period.

# Token Group Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

### 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 period and initially recognised at cost of £2,188,793. At 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

The average monthly number of persons (including directors) employed by the company during the year was 2 (2018 - 2).

### 4 Impairments

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

	Notes	2019 £	2018 £
In respect of:			
Intangible assets	5	26,425	2,094,485

# Token Group Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

### 5 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 July 2018 and 30 June 2019	150,000
<b>Amortisation and impairment</b>	
At 1 July 2018	-
Impairment losses	26,425
At 30 June 2019	26,425
<b>Carrying amount</b>	
At 30 June 2019	123,575
At 30 June 2018	150,000

More information on the impairment arising in the year is given in note 4.

### 6 Fixed asset investments

	2019 £	2018 £
Investments	3	3

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2018 & 30 June 2019	3
<b>Carrying amount</b>	
At 30 June 2019	3
At 30 June 2018	3

# Token Group Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2019

### 7 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Monolith Limited	Gibraltar	Services company	Ordinary shares	100.00	0
TokenCard Limited	United Kingdom	Cryptocurrency payment card provider	Ordinary shares	100.00	0

### 8 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	-	6,049

### 9 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts due to group undertakings	2,423,515	6,263,009
Other creditors	13,112	4,213
	2,436,627	6,267,222

### 10 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 4 Ordinary Shares of £1 each	4	4
	4	4

### 11 Related party transactions

Included within other debtors at the year end is a balance of £nil (2018 - £6,049) due from directors. These amounts are interest free and repayable on demand.

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

### 12 Control

There is no single controlling party.



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