COINSILIUM GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Directors	Eddy Travia Malcolm Palle Tony Sarin Craig Brown
Registered Office	Craigmuir Chambers PO Box 71 Road Town Tortola British Virgin Islands
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

Coinsilium Group Limited ("Coinsilium", the "Group" or the "Company"), the venture builder, investor and adviser to early-stage blockchain technology companies, is pleased to announce its Final Results for the year ended 31 December 2018, a milestone period which generated record revenues.

Strategy Highlights

The Company's "Invest and build" strategy demonstrated significant commercial success:

- 2018 marks the first year since inception during which Coinsilium generated annual revenues in excess of £1m as it recorded £1.68m in revenues for the year
- Revenues mainly originated from advisory services provided to blockchain companies planning to issue tokens via Token Generation Events ("TGE's")
- Coinsilium exercised its option to increase its equity stake into tech skill assessment and validation network Indorse to hold 10% of the Singapore-based company's total shares
- Expanded its portfolio of investments by participating in the seed funding rounds of Bundle Network, a single platform facilitating the trading of multiple digital assets via multiple cryptocurrency exchanges, and Elevate Health, a suite of applications focused on the behavioural health space, aiming to facilitate a number of cost-reducing solutions for behavioural healthcare providers, insurers, health authorities, families and employers
- The revenue-generating Advisory Service Division has been relocated to Gibraltar, a jurisdiction which has taken a pragmatic and progressive approach to the regulation of blockchain and crypto businesses

Financial summary

- Revenue increased by 187% to £1,682,373 (2017: £586,263)
- Total Comprehensive Loss* of £1,495,424 (2017: total comprehensive income of £679,633)
- Loss for the period from continuing operations £982,034 (2017: profit of £121,345)
- Loss per share of £0.0079 (2017: profit per share of £0.001)
- Financial assets at fair value through profit or loss amounted to £1.4m at 31 December 2018 (31 December 2017: available-for-sale financial assets £1.1m)
- Successful fundraising totalling £367,125 completed in December 2018
- As at 31 December 2018 cash and cash equivalents amounted to £592,171 (31 December 2017: £1,396,070)

* Loss for the period includes loss in value of tokens over the period of £973,147

The Directors present their report, together with the Group Financial Statements and Auditor's Report, for the year ended 31 December 2018. The comparative period is the year ended 31 December 2017.

Review of the Year

Despite strong institutional investor interest in the blockchain sector throughout 2018, the crypto market sentiment shifted amidst sharp falls in cryptocurrency, most notably bitcoin, and token prices.

Whilst the Company recorded its highest revenues on record of £1.68m for the period, the depreciation of the value of tokens globally affected Coinsilium's token holdings, preventing the Company showing a profit in the period.

It is, however, important to note that the Company did not buy these tokens. Instead, these tokens were either granted following equity investments or received as payment for advisory services, and, moreover, the value of these tokens may recover in the future.

The cooler reception to new token offerings in the second half of 2018 increased the overall interest for equity in blockchain ventures, and the Company has seen a renewed interest for traditional equity funding from startups.

While the Company initially benefited from the wave of Initial Coin Offerings via its Advisory Services Division, the Company remains ideally placed to benefit from the appreciation of the value of its portfolio of equity stakes in blockchain companies.

Throughout the year, the Company continued to support its portfolio companies and invested in two new blockchain ventures, Bundle Network and Elevate Health. The higher revenues and levels of activity of 2018 necessitated higher expenditures and management acted quickly to limit and reduce overheads as the market appetite for advisory services started to decline.

Post year end

As stated in previous announcements, the Board believes that the successful introduction of the DLT (‘Distributed Ledger Technology”) regulatory framework in Gibraltar will have a profound effect on the demand for alternative funding options in that jurisdiction and the Company therefore decided to relocate the management of its Advisory Services Division to Gibraltar. This strategic relocation not only reduces the Company’s costs of operations in London, but also enables Coinsilium to allocate more resources towards investments and the provision of revenue generating activities such as its accelerator and advisory services.

Advisory clients with a Token Generation Event either completed or to be completed post period fall within these sectors:

Sector	Advisory Clients
Energy & Infrastructure	Lition – a scalable public-private blockchain with deletable data features, made for commercial products in association with SAP. Lition’s first commercial application is an energy P2P trading platform for producers and consumers.
Healthcare	Elevate Health – a suite of applications focused on the behavioural health space, aiming to facilitate a number of cost-reducing solutions for behavioural healthcare providers, insurers, health authorities, families and employers.
Trade Finance	LC Lite – a fully integrated platform for businesses to issue, amend and confirm Letters of Credit ('LC') that offers institutional and private investors the chance to fund asset based trades.
Trading	Bundle Network – a single platform to facilitate the trading of multiple digital assets via multiple cryptocurrency exchanges.
Sports Data	Olympia – Olympia aggregates, organizes and monetises amateur sports data. It also generates open gamification tools like the “Universal Rating” for each sport and the “Rewarding Engine”. The created value is shared with the data providers.
E-commerce	AORA – a social marketplace connecting online shoppers to thousands of global merchants and millions of real world products available in the US and China, saving time and money by seamlessly managing the entire order and delivery process to more than 100+ countries.
Loyalty	WeWard (formerly URP) - The first mobile application from the URP team is called WeWard and it rewards users for distance walked and notifies them about offers at retail partners in the vicinity.

Outlook

It is clear to the Directors of the Company that more and more businesses are planning viable services and models to harness the benefits offered by blockchain technologies. Whether start-ups or subsidiaries, many of these entities need proven advisers and partners in order to deliver these businesses.

As a result, we are confident of the success of and demand for our “invest and build” strategy for blockchain firms. We take strategic stakes in high-potential growth blockchain businesses with talented management teams in return for an investment of our time, access to our global industry network and connection and through the deployment of capital.

A key criteria when assessing such opportunities is that the businesses we select are at a sufficiently early stage to genuinely recognise the advantages we can bring to bear. Also, by selectively engaging at the ‘seed’ or ‘pre-seed’ stage we also look to maximise the upside for any investment we make, whilst enhancing the odds of success and supporting management to shape and grow their business into future successful players in the blockchain sector.

Portfolio companies, such as Indorse, are already starting to demonstrate the effectiveness of our intensive approach and it is pleasing to see the company now delivering on its early promise with a growing pipeline of clients and revenues.

Our approach is also well aligned with the improving sentiment in the cryptocurrency market since the start of 2019. The bitcoin price has moved up from lows of around $3,200, to current levels of around US$8,700 - which is a positive sign for the market overall.

Retail investor appetite for new tokens is not as strong as early 2018, but recently there have been several successful listings of new tokens via Initial Exchange Offerings (“IEO”), a new token generation event conducted in tandem with cryptocurrency exchanges.

Whilst the market for IEO’s is still at a very early stage, we are encouraged by the level of approaches we are starting to receive for our advisory services for future Initial Exchange Offerings. This interest for our services has largely come about as a result of our reputation in the industry on the back of our success in 2017 and 2018 in helping large token offerings in the space, In addition, the Board is also seeing positive developments within our investment portfolio companies, including an increase in revenues, which demonstrates we are entering into a new phase of the adoption of blockchain technology and cryptocurrencies. The Board expects this increased adoption to result in greater demand for services at the enterprise and retail level, and our portfolio companies are well positioned to provide many of these services at competitive levels.

In conclusion, it is most encouraging to see how rapidly confidence appears to be returning to the sector and, whilst the Board is optimistic that this trend looks set to continue, it is also important to ensure we have secured a solid enough base from which to build on this momentum and ensure that the business is well positioned to capitalise on the growth opportunities we see that lie ahead.

With Coinsilium’s core operations now located in Gibraltar, we are not only reducing our cost base but also positioning the business in one of the most conducive and supportive global jurisdictions for blockchain technology in the world.

Across the Company’s investing, venture building and Advisory Services Division, we look forward to the future with confidence. Finally, the Board would like to once again thank all shareholders, partners and team members for their continued support.

Financial Review

Revenue for the year ended 31 December increased by 187% to £1,682,373 compared to £586,263 for 2017. The increase is attributable to the fees generated from increase in the Company’s Advisory Services Division.

Total comprehensive income, including fair value gains and losses on financial assets and digital assets, reported a loss for the period of £1,495,424 compared to a gain of £679,633 in the previous year.

Loss for the period from continuing operations was £982,034 (2017: profit of £121,345). This loss is mainly attributable to an increase in expenses for the period, a net fair value loss in the value of equity investments of £188,781 and impairments to other current assets of £973,147.

During the period, Coinsilium successfully raised £367,125 in December 2018.

As at 31 December 2018, cash and cash equivalents amounted to £592,171 (2017 £1,396,070).

Eddy Travia
Executive Director
31 May 2019

Principal activities

The principal business of the Company and its subsidiaries (together the "Group") is investing in and accelerating early stage blockchain technology companies and providing strategic advisory services to companies in preparation for their Token Generation Event ('TGE'). The Company is headquartered in London with offices in Gibraltar.

Results and Dividends

The Company generated revenues mainly via the provision of strategic advisory services to companies undertaking Token sales or TGE's. Revenues are generated by a combination of retainers and success fees. Success fees usually represent a percentage of the overall total sale or a fixed fee payable on the successful completion of the TGE.

The Company generated revenues of £1,682,373 during the year ended 31 December 2018 (2017: £586,263).

At the year end, the Company had £592,171 in cash and cash equivalents (2017: £1,396,070).

No dividends were paid or recommended to be paid during the year.

The Directors who served during the year and as the date of this Report were as follows:

Name of Director	Date of appointment
Eddy Travia	25 September 2014
Tony Sarin	15 April 2015
Malcolm Palle	19 January 2017
Craig Brown	23 November 2017

The Directors who served during the year ended 31 December 2018 had the following beneficial interests in the shares of Coinsilium Group Limited (the "Company") at the year end, and as at the date of this Report:

	Date of Report		31 December 2018	
Director	Ordinary Shares	Options	Ordinary Shares	Options
Eddy Travia*	7,506,701	6,500,000	7,395,590	6,500,000
Tony Sarin	3,467,027	2,000,000	3,467,027	2,000,000
Malcolm Palle	8,134,234	3,000,000	8,059,234	3,000,000
Craig Brown	22,222	1,500,000	22,222	1,500,000

* held by Jet Trade Global Limited

Key Performance Indicators ("KPIs")

The Board monitors the activities and performance of the Group on a regular basis. The indicators set out below were used during 2018 and will continue to be used by the Board to assess performance over the year ended 31 December 2019.

Investment portfolio valuation

The valuation of investments and digital assets held by the Group in its portfolio is a key performance indicator as it represents the future opportunity of realising part or the whole stake in some of these investments and assets. The Company regularly reviews the value of its portfolio and considers opportunities to divest part or all of its investment in line with the Group's divesting strategy.

This strategy is based on selling investments at the investees' pre-series A and/or series A level rounds provided the opportunity meets certain criteria in terms of the investee valuation at fundraise and the Group's assessment of the future potential of the investee company.

Individual investee company assessment

As the majority of the investments are made in companies which are pre-revenue, assessing performance is conducted through regular communication and by considering key aspects of the investee company's progress including:

- Working capital – the current cash balance and the rate at which cash is expended on a monthly basis is critical.
- Technical development - progress demonstrated in the development of the company's products and/or services.
- Business development – relationships with key suppliers and potential business or individual customers, rate of acquisition of new customers, market share, revenue growth and access to resources to support business growth.
- Human resources - development of a well-balanced management team, and the recruitment and performance of suitably skilled personnel.

Advisory Services

Advisory Services is a key revenue generating business division of Coinsilium Group Limited and each advisory client acquisition is significant. Fees for advisory services are a combination of retainers and success fees representing a percentage of the overall TGE proceeds or a fixed fee payable on the successful completion of the TGE.

Financial indicators

The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The key aspect monitored is the Group's working capital requirements; both its current cash balance and its monthly expenditure against forecast expenditure.

Token Generation Events Advisory Services

The Company advised 14 companies on their TGE in 2018, eight of which were successfully completed in 2018, one completed post period end and five to be completed in 2019. Companies that Coinsilium advised and that completed their TGE before 31 December 2018 include:

- **FANTOM** – First DAG-based protocol to integrate smart contract functionality and aiming to offer enterprise-level clients the functionality and scalability required to accelerate mainstream adoption of DLT.
- **MedicalChain** - a platform using blockchain technology to securely store and share electronic health records.

- **AORA** – a social marketplace connecting online shoppers to thousands of global merchants and millions of world products available in the US and China, saving time and money by seamlessly managing the entire order and delivery process to more than 100 countries.
- **GBX** – The Gibraltar Blockchain Exchange is a subsidiary of the Gibraltar Stock Exchange and aims to be the world's first regulated institutional grade exchange to support token sales.
- **Dether** - a peer-to-peer ecosystem of crypto buyers, sellers and physical shops.
- **RIF** - RIF OS (Root Infrastructure Framework Open Standard) is a suite of open and decentralized infrastructure protocols that enable faster, easier and scalable development of distributed applications (dApps) within a unified environment.
- **TrustedHealth** – a decentralised global network of doctors, specialists and other healthcare service providers, connecting patients around the world with the right expertise and services for their specific condition.
- **Tutellus** - the largest online educational collaborative platform in the Spanish-speaking world using 'reward tokens' to incentivise students, teachers and companies interacting with the platform.

Coinsilium's Token Advisory Services formed a key part in the Company's business strategy as the Group established itself as a value-added partner across multiple successful TGE's. TGE's are being utilised across a broad range of industries and Coinsilium has advised companies in the education, healthcare, trading and investing, energy and trade finance sectors.

Most of the Coinsilium advised TGEs were completed in the first half of 2018. The Company has firmly established a strong industry reputation for supporting some notably successful TGE's such as FANTOM, ICON, GBX, MedicalChain and RIF.

Investee Companies Update

Bundle Network

Bundle Network is an online platform connected to multiple cryptocurrency exchanges. Through one single account, users can purchase and sell multiple coins and tokens within seconds, at the best price available. Bundle Network aims to provide support for the burgeoning and ever-changing world of digital assets, easing the transaction process to trade quickly, safely, and efficiently. Bundle Network aims to release a beta version of its platform in Q2 2019.

In August 2018, Coinsilium announced that it had completed an investment of US$125,000 in Bundle Network. The valuation terms of Bundle Network, whilst known to the Company, are subject to confidentiality due to commercial sensitivities.

Bundle Network has strengthened its collaboration with Istanbul-based start-up accelerator RDC Smartup, which was established by software development company RDC Partner. RDC Smartup's co-founder, Mr. Onder Uysal, has joined the Bundle Network management team, leading on strategy and business development.

In April 2019, the Bundle Network co-founder joined the Draper University programme. Draper University is a Silicon Valley-based school for entrepreneurs founded by Tim Draper. Tim Draper is a renowned venture capitalist (past investments include Skype and Hotmail) and is known to own large holdings of bitcoins.

Factom

Factom builds blockchain technology tools that maintain a permanent, time-stamped record of data and with immediate application to a range of industries, such as the mortgage industry, Internet of Things and healthcare.

Factom Harmony harnesses the power of the Factom blockchain, combined with SmartProvenance™, to ensure the validity, integrity, history and ownership of documents, data, files and database information.

Factom's unique model of developing individual data chains mirrors existing record keeping models. This ensures compliance with all governmental and industry regulations. As increasingly more items are enabled with IoT connectivity, it is critically important to secure and safeguard IoT data. Creating identity logs on the Factom blockchain provides data assurance, including: protection from spoofing, elimination of traditional repeater attacks, and confirmation of data integrity. Creating a medical identity around an individual and securing it with the Factom blockchain solves the trust and accuracy problems in an affordable, practical way that provides unique benefits for the developing world.

In June 2018, The U.S Department of Homeland Security (DHS) awarded a grant of $192,380 to Factom to support beta testing of a platform aimed to secure data from Border Patrol cameras and sensors.

On 23 July 2018, Factom's existing shareholder AIM-traded FastForward Innovations (LON:FFWD) announced an investment of US$6 million into Factom Inc. and an option to advance up to additional US$9 million on the same terms (the option lapsed on 30 September 2018).

Indorse

Singapore-based Indorse operates a blockchain powered scalable, decentralised skills validation network, changing the way small and large businesses find and assess tech talent. By leveraging the experience of human experts across the world, Indorse provides firms in the process of recruiting with reliable and actionable insights about their candidates. Indorse is raising the bar for on-demand quality appraisal of tech talent while substantially reducing the direct and indirect costs of the hiring process.

Indorse fulfilled successful investment rounds during 2018, raising SGD450,000 from Coinsilium's equity investment, following Indorse's token sale with proceeds of c.US$9m in 2017. Over 40,000 users signed up to the platform with 96 programmers currently validating and reviewing code to verify the technical competence of coders.

Indorse fully delivered on its promises for 2018 by creating and running a working product despite difficult crypto market conditions. The team also managed to build and rollout an update of their platform in December 2018. It has customers in the pipeline for 2019 and is expected to achieve significant revenue growth in the upcoming months.

RSK Labs

RSK Labs is an open source platform adding value to the bitcoin ecosystem by enabling the use of smart contracts. RIF Labs uses the RSK Smart Contract Network for settlement, identity management and economic coordination in a fully decentralised method. Coinsilium was the lead investor in the first investment round of RSK in February 2016.

In February 2018, we purchased 15,000 series Seed-1 RSK shares in addition to our previously held 50,000 series Seed-1 RSK shares, making our total amount invested US$83,750 for a total holding of 65,000 Seed-1 RSK shares.

On 19 November 2018, RIF Labs announced that it had agreed to acquire the entire share capitals of RSK Labs. The RIF Labs acquisition was conducted by way of a 'share for token' swap between RSK Labs shares and RIF tokens and Coinsilium will receive approximately 1,951,846 RIF tokens over a vesting period in return for its 65,000 RSK shares. Malcolm Palle, Coinsilium's Executive Chairman, joined the board of RIF Labs in 2018.

RSK Labs is one of Coinsilium's major investments and we look forward to deepening our ties with RIF Labs and finding mutually beneficial opportunities for development.

Blox

Blox enables cryptocurrency investors to manage and analyse their crypto assets portfolio and, in addition, share insights about the cryptocurrency market, share achievements and get signals from the best crypto investors in the world.

Blox web and mobile crypto portfolio management applications are currently operational and help its users manage $US2bn worth of cryptocurrencies. Blox generates revenues from corporate clients subscribing for the premium version of its portfolio management tools.

Blox brand and services have been visible at major events in the US, including Consensus in New York.

Neuroware

Neuroware performs custom implementation of protocols for banks, financial institutions, and other organisations to adopt distributed ledger technologies. Neuroware's clients are mostly Malaysia-based financial service companies.

Helperbit is an Italian start-up that uses the blockchain technology to allow people to donate digital and local currencies to charities and to people in need all over the world, trace their donation and how it is used, offering full transparency of economic flows. In 2018, Helperbit has generated revenues through the provision of technical consulting services

StartupToken

StartupToken is a Gibraltar registered hyper-accelerator, helping entrepreneurs in the blockchain space to grow their projects into successful start-ups. StartupToken helps its clients reach the necessary level of engagement with their communities worldwide thanks to a full-service package including legal and technical support, token economics and modelling, compliance, events organisation and growth hacking.

In November 2017, Coinsilium acquired a 30% holding in StartupToken Ltd, at a valuation of circa £1.2 million, satisfied through a combination of Coinsilium shares and cash.

In December 2018, StartupToken announced an inward investment from Blockwater Capital, a leading digital asset fund (DAF) that focuses on bringing blockchain-enabled projects to real world application, valuing StartupToken at £2.6 million.

StartupToken has successfully organised roadshows for its accelerator and advisory clients in East Asia and is now establishing a base in Singapore, one of the world's most active blockchain hubs.

Helperbit

Helperbit is an Italian startup that uses the blockchain technology to allow people to donate digital and local currencies to charities and to people in need all over the world, trace their donation and how it is used, offering full transparency of economic flows.

In 2018, Helperbit has generated revenues through the provision of technical consulting services to blockchain companies.

Elevate Health

Elevate Health is building a platform focused on the behavioural health space, aiming to facilitate a number of cost-reducing solutions for behavioural healthcare providers, insurers, health authorities, families and employers. to address problematic and costly lifestyle choices on the part of their customers, clients, patients, employees and loved ones. Elevate Health seeks to connect technological innovations such as phone apps, wearable devices, oracles and smart contracts in order to pay monetary rewards to motivate lifestyle changes.

Elevate Health has now successfully piloted its platform and the "rewarder" admin section of the platform and user app went live on the Android Play Store on 5 January 2019. Additionally, Elevate Health has gone live with its first use case, SOBER, in January 2019, alongside its partners East Sydney Medical and The Dawn Rehab, Thailand. SOBER will monitor problem drinkers leaving medical care and reward them for remaining sober as part of their rehabilitation.

In February 2019, Elevate Health has launched two pilot projects with Aboitiz Equity Ventures, one of the 10 largest groups in the Philippines and a Forbes Global 2000 company. It will reward their employees for achieving lifestyle changes for various lifestyle metrics.

The platform is targeting 100,000 end users by the end of this year, which would represent an equivalent transactional volume of US$500,000 per day.

Funds Raised

The Company raised a total of £367,125 (before expenses) through private placements for cash during 2018 as follows:

12 December 2018	£ 367,125	9,178,125 shares at 4 pence per share

Events after the End of the Reporting Period

21 January 2019 – Coinsilium Group announced Eddy Travia, Chief Executive Officer, purchased 111,111 ordinary shares at 4 pence per share and Malcolm Palle, Executive Chairman, purchased 75,000 ordinary shares at 3.88 pence per share. Eddy now holds 7,506,701 Ordinary Shares representing 5.92% and Malcolm now holds 8,134,234 Ordinary Shares representing 6.41%.

13 March 2019 – Coinsilium Group announced that the Company relocated its core management operations and its advisory services division to Gibraltar to reduce the Company's operating costs, enabling Coinsilium to allocate more resources toward investments and the provision of revenue generating activities such as its accelerator and advisory services.

1 April 2019 - Coinsilium Group Limited completed the purchase of 50,000 of its Ordinary Shares at a price of 2.5 pence per share. The total number of ordinary shares with voting rights is now 126,764,235, and 5,900,000 Ordinary Shares are held in treasury.

1 May 2019 - Coinsilium Group Limited completed the purchase of 230,000 of its Ordinary Shares at an average price of 2.556 pence per share. The total number of ordinary shares with voting rights is now 126,534,235, and 6,130,000 Ordinary Shares are held in treasury.

Going Concern

As described in the Results and Dividends section of this Directors' Report, the Group has reported an operating loss for the year.

In considering the Group's ability to continue in operation for the foreseeable future, the Directors have considered the forecast operating cash-flows for the period up to the end of 31 May 2020, and all other related matters. This involved consideration of the cash flow implication of the budget.

The Directors have controlled expenditures throughout the period and feel the current level of expenditures is in line with a business of its size. The five successful fund raises since the beginning of 2017 provide a new level of confidence but the Directors plan to remain cautious in the control over the Group's cash and liquid assets.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the adverse effects on the Group.

Principal Risks and Uncertainties (continued)

Loss in value of Investments Risk
All investments are made in early stage companies and carry a risk of losing value. Early stage companies have a high risk of failure and the Group seeks to limit these risks by a thorough assessment of the management teams, the technology and the opportunities in the companies' target markets. Throughout our investment holding period we monitor a company's progress and stay in regular communication with the company's management teams.

Cyber Risk

The Company holds digital assets via software and hardware which may prove to be vulnerable to data security breaches in the future. Data security breach incidents may compromise the confidentiality, integrity or availability of data such that the data is vulnerable to access or acquisition by unauthorised persons. These data security breaches may result in the unrecoverable loss of digital assets. The Group's hardware devices and remote servers holding the Group's data may be breached and result in the loss of valuable data.

Cryptocurrency Price Volatility

Revenues for TGE Advisory Services and bonuses payable in relation to equity investments are normally denominated in cryptocurrency or tokens from the issuing entity. These 'digital assets' can be subject to high levels of volatility and it may not always be possible to for the Group to trade out or effectively hedge its position. The Group will always seek to manage the price volatility risk and actively monitors its portfolio of digital assets.

Cryptocurrency exchange rates have exhibited strong volatility. Many factors outside of the control of the Group can affect the market price of cryptocurrencies, including, but not limited to, national and international economic, financial, regulatory, political, terrorist, military, and other events, adverse or positive news events and publicity, and generally extreme, uncertain, and volatile market conditions. Extreme changes in price may occur at any time, resulting in a potential loss of value of our entire portfolio of cryptocurrencies, complete or partial loss of purchasing power, and difficulty or a complete inability to sell or exchange our digital currency.

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in foreign currency exchange rates, credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments to manage foreign exchange risk and, as such, no hedge accounting is applied.

The main financial risk for the Group is any significant changes in foreign exchange rate risk as the Group holds cash assets in various currencies other than British Pounds and holds equity stakes in companies in various currencies as well. The main currencies to which the Group is exposed are the Euro and US dollar. Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

Provision of information to Auditors

So far as each of the Directors is aware at the time this report is approved:
- There is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, PKF Littlejohn LLP have indicated their willingness to continue in office as auditor, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

This report was approved by the Board on 31 May 2019 and signed on its behalf:

Eddy Travia Executive Director

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 prepared the Group and Company financial statements in accordance with EU-endorsed International Financial Reporting Standards ("IFRS").

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 Group and Company and of the profit or loss of the Group and 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;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent Auditor's Report to the members of Coinsilium Group Limited

Opinion

We have audited the financial statements of Coinsilium Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

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 group and parent 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 as applied to listed entities, 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 group's or the parent 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.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. Group materiality for the Income Statement and Statement of Financial Position was £32,000 and £80,000 respectively based upon turnover/result before tax and gross assets. The parent company materiality was 70% of the group materiality, being the percentage group performance materiality. For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Audit work was performed on all of the group's operating components for consolidation purposes, with the group's key accounting function for all being based in the United Kingdom.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation and recoverability of financial assets at fair value through profit or loss (FVPL)	
The group has financial assets held at fair value through profit or loss with a carrying value at 31 December 2018 of £1,362,200 (refer note 9). These comprise equity investments in blockchain and technology start-ups and companies looking to issue tokens via Token Generation Events. The investees are generally early stage private companies which do not have readily available fair values under the fair value hierarchy.	We performed the following procedures: • Confirmed good title to the equity investments. • Undertook substantive testing on additions, disposals and fair value movements in the year. Gains or losses on disposal were re-calculated. • Assessed and tested the valuation basis applied by management to the equity investments including latest available share valuations, net asset values, latest fundraise price, significant changes in performance compared with budgets or milestones, technical product milestones, forecasts and projections and at cost less impairment. • Performed a post year-end review to identify transactions to support the 31 December 2018 carrying value. • Inquired of management regarding the existence of any indicators of impairment in the investee companies.
Recognition and valuation of digital assets	
The group has other current assets of £251,810 (refer note 13) comprising digital assets (cryptocurrency or tokens) received in exchange for advisory services or bonuses in relation to equity investments. The type and form of digital assets can differ significantly with regard to the ability to make payments, trade or exchange. In addition, not all digital assets have an active market whereby transactions in the digital currencies take place with sufficient frequency and volume in order to provide pricing information on an ongoing basis. Digital assets can be subject to high levels of volatility.	We performed the following procedures: • Confirmed good title to the digital assets via the group's wallet. • Reviewed and tested underlying agreements giving rise to the receipt of digital assets. • Agreed fair values at the date of receipt and at the year-end to active market exchanges (e.g. Bitcoin, Ether). Confirmed that only tokens traded on an active market have been measured at fair value. • Performed a post year-end review to identify transactions to support the realisation of the 31 December 2018 carrying value.

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. Our opinion on the group and parent company financial statements does not cover the other information and, 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.

Responsibilities of directors

As explained more fully in the statement of directors responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and parent 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 group or parent company or to cease operations, or have no realistic alternative but to do so.

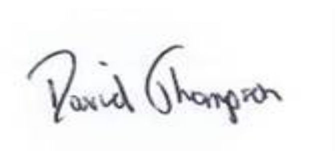
Auditor's responsibilities for the audit of the financial statements

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with our letter of engagement dated 22 March 2018. 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.



David Thompson (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

31 May 2019

	Note	2018 £	2017 £
Continuing Operations			
Revenue from contracts with customers	5	**1,682,373**	586,263
Cost of sales		**(789)**	(714)
Loss allowance for trade receivables		**(377,421)**	-
Gross Profit		**1,304,163**	585,549
Administration expenses	6	**(1,110,228)**	(676,772)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	9	**(188,781)**	-
Impairments to other current assets	15	**(973,147)**	-
Impairments to available-for-sale financial assets	5	**-**	(303,576)
Gain/(loss) on disposal of available-for-sale financial assets		**-**	490,719
Operating Profit/(Loss)		**(967,993)**	95,920
Finance income	24	**968**	25,700
Finance costs	24	**(15,009)**	(275)
Profit/(Loss) before Taxation		**(982,034)**	121,345
Income tax	25	**-**	-
Profit/(Loss) for the year		**(982,034)**	121,345
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss			
Change in fair value on available-for-sale financial assets		**-**	44,898
Change in fair value of other current assets at fair value through other comprehensive income	15	**(513,390)**	513,390
Total Comprehensive Income for the year attributable to owners of the Parent		**(1,495,424)**	679,633
Earnings per share (£) from continuing operations attributable to owners of the Parent – Basic & Diluted	26	**(0.0079)**	0.001

The accounting policies and notes on pages 22 to 46 form part of these Financial Statements.

		Group		Company	
	Note	31 December 2018 £	31 December 2017 £	31 December 2018 £	31 December 2017 £
Non-Current Assets					
Intangible assets	7	**3,720**	6,020	**1,860**	1,860
Property, plant and equipment	8	**589**	907	**-**	-
Financial assets at fair value through profit or loss	9	**1,362,200**	-	**360,905**	-
Available-for-sale financial assets	10	**-**	1,078,312	**-**	360,905
Investment in subsidiaries	11	**-**	-	**1,727,298**	2,499,985
Other financial assets	13	**-**	117,579	-	-
		1,366,509	1,202,818	**2,090,063**	2,862,750
Current Assets					
Trade and other receivables	12	**240,067**	439,018	**226,889**	433,239
Cash and cash equivalents	14	**592,171**	1,396,070	**425,574**	679,400
Other current assets	15	**251,810**	652,495	**183,518**	139,105
		1,084,048	2,487,583	**835,981**	1,251,744
Total Assets		**2,450,557**	3,690,401	**2,926,044**	4,114,494
Equity attributable to owners of the Parent					
Share capital	18	**-**	-	**-**	-
Share premium	18	**6,369,974**	5,945,224	**6,369,974**	5,945,224
Treasury shares		**(273,875)**	(78,750)	**(273,875)**	(78,750)
Share option reserve	19	**101,304**	81,275	**101,304**	81,275
Other reserves		**-**	687,706	**-**	-
Retained losses		**(3,840,186)**	(3,032,466)	**(3,301,750)**	(1,872,644)
Total equity attributable to owners of the Parent		**2,357,217**	3,602,989	**2,895,653**	4,075,105
Current Liabilities					
Trade and other payables	16	**93,340**	87,412	**30,391**	39,389
Total Liabilities		**93,340**	87,412	**30,391**	39,389
Total Equity and Liabilities		**2,450,557**	3,690,401	**2,926,044**	4,114,494

The Financial Statements were approved and authorised for issue by the Board of Directors on 31 May 2019 and were signed on its behalf by:

Eddy Travia
Executive Director

The accounting policies and notes on pages 22 to 46 form part of these Financial Statements.

GROUP — **Attributable to Equity Shareholders**

	Share capital £	Share premium £	Treasury shares £	Share option reserve £	Other reserves £	Retained losses £	Total £
As at 31 December 2016	**-**	**4,377,396**	**-**	**81,275**	**129,418**	**(3,153,811)**	**1,434,278**
Profit for the year	-	-	-	-	-	121,345	121,345
Other comprehensive income							
Change in value of available-for-sale financial assets	-	-	-	-	44,898	-	44,898
Change in value of other current assets	-	-	-	-	513,390	-	513,390
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**558,288**	**121,345**	**679,633**
Shares issued	-	1,617,718	-	-	-	-	1,617,718
Share issue costs	-	(49,890)	-	-	-	-	(49,890)
Purchase of treasury shares	-	-	(112,500)	-	-	-	(112,500)
Sale of treasury shares	-	-	33,750	-	-	-	33,750
Total transactions with owners recognised directly in equity	**-**	**1,567,828**	**(78,750)**	**-**	**-**	**-**	**1,489,078**
As at 31 December 2017 as originally presented	**-**	**5,945,224**	**(78,750)**	**81,275**	**687,706**	**(3,032,466)**	**3,602,989**
Change in accounting policy (see note 31)	**-**	**-**	**-**	**-**	**(174,316)**	**174,316**	**-**
Restated as at 1 January 2018	**-**	**5,945,224**	**(78,750)**	**81,275**	**513,390**	**(2,858,150)**	**3,602,989**
Loss for the year	-	-	-	-	-	(982,036)	(982,036)
Other comprehensive income							
Change in value of other current assets	-	-	-	-	(513,390)	-	(513,390)
Total comprehensive income	**-**	**-**	**-**	**-**	**(513,390)**	**(982,036)**	**(1,495,426)**
Shares issued	-	434,000	-	-	-	-	434,000
Share issue costs	-	(9,250)	-	-	-	-	(9,250)
Purchase of treasury shares	-	-	(204,125)	-	-	-	(204,125)
Sale of treasury shares	-	-	9,000	-	-	-	9,000
Share option charge	-	-	-	20,029	-	-	20,029
Total transactions with owners recognised directly in equity	**-**	**424,750**	**(195,125)**	**20,029**	**-**	**-**	**249,654**
As at 31 December 2018	**-**	**6,369,974**	**(273,875)**	**101,304**	**-**	**(3,840,186)**	**2,357,219**

The accounting policies and notes on pages 22 to 46 form part of these Financial Statements.

PARENT COMPANY **Attributable to Equity Shareholders**

	Share capital	Share premium	Treasury shares	Share option reserve	Retained losses	Total
	£	£	£	£	£	£
As at 31 December 2016	-	**4,377,396**	**-**	**81,275**	**(2,164,378)**	**2,294,293**
Profit for the year	-	-	-	-	291,734	**291,734**
Total comprehensive income for the year	-	-	-	-	291,734	**291,734**
Issue of ordinary shares	-	1,617,718	-	-	-	**1,617,718**
Issue costs	-	(49,890)	-	-	-	**(49,890)**
Purchase of treasury shares	-	-	(112,500)	-	-	**(112,500)**
Sale of treasury shares	-	-	33,750	-	-	**33,750**
Total transactions with owners recognised directly in equity	-	1,567,828	(78,750)	-	-	**1,489,078**
As at 31 December 2017	**-**	**5,945,224**	**(78,750)**	**81,275**	**(1,872,644)**	**4,075,105**
Loss for the year	-	-	-	-	(1,429,106)	(1,429,106)
Total comprehensive income for the year	-	-	-	-	**(1,429,106)**	**(1,429,106)**
Issue of ordinary shares	-	434,000	-	-	-	434,000
Issue costs	-	(9,250)	-	-	-	(9,250)
Purchase of treasury shares	-	-	(204,125)	-	-	(204,125)
Sale of treasury shares	-	-	9,000	-	-	9,000
Share option charge	-	-	-	20,029	-	20,029
Total transactions with owners recognised directly in equity	**-**	**424,750**	**(195,125)**	**20,029**	**-**	**249,654**
As at 31 December 2018		**6,369,974**	**(273,875)**	**101,304**	**(3,301,750)**	**2,895,653**

The accounting policies and notes on pages 22 to 46 form part of these Financial Statements.

	Note	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash flows from operating activities					
Loss before taxation		**(982,036)**	121,345	**(1,429,106)**	291,734
Adjustments for:					
Finance costs		**15,009**	275	**14,606**	-
Finance income		**(968)**	(25,700)	**(223)**	-
Depreciation and amortisation		**2,618**	318	-	-
Impairment to investment in subsidiaries		**-**	-	**1,231,553**	-
Non-cash revenues		**(1,085,852)**	-	-	-
Impairment of available-for-sale financial assets		**-**	301,894	-	-
Impairment of other current assets		**973,147**	-	**-**	-
Share based payments		**86,904**	65,040	**86,904**	65,040
Net fair value gains/(losses) on financial assets at fair value through profit or loss		**188,780**	-	**-**	-
(Profit)/Loss on disposal of available-for-sale financial assets		**-**	(490,719)	**-**	-
Movement in other current assets		**-**	-	**(44,413)**	-
(Increase)/Decrease in trade and other receivables		**234,953**	(571,849)	**242,351**	(570,365)
Increase in trade and other payables		**5,928**	11,060	**(8,997)**	(168,282)
Net cash used in operating activities		**(561,517)**	(588,336)	**92,675**	(381,873)
Cash flows from investing activities					
Interest received		**968**	25,700	**223**	-
Purchase of intangible assets		**-**	(6,020)	-	(1,860)
Purchase of property, plant & equipment		-	(142)	-	-
Purchase of financial assets at fair value through profit or loss		**(395,076)**	-	-	-
Proceeds from disposal of financial assets at fair value through profit or loss		**39,987**	-	-	-
Proceeds from disposal of available-for-sale financial assets		-	666,418	-	-
Purchase of available-for-sale financial assets		**-**	(84,212)	-	(84,212)
Decrease in other financial assets		**(37,277)**	135,951	-	-
Decrease/(increase) in loans to subsidiary undertakings		**-**	-	**(458,866)**	-
Net cash generated from/(used in) investing activities		**(391,398)**	737,695	**(458,643)**	(86,072)
Cash flows from financing activities					
Proceeds from issue of shares (net of costs)		**321,875**	1,226,095	**321,875**	1,226,095
Purchase of treasury shares		**(204,125)**	(112,500)	**(204,125)**	(112,500)
Sale of treasury shares		**9,000**	33,750	**9,000**	33,750
Finance costs		**(15,009)**	(275)	**(14,606)**	-
Net cash generated from financing activities		**111,741**	1,147,070	**112,144**	1,147,345
Net increase/(decrease) in cash and cash equivalents		**(803,898)**	1,296,429	**(253,826)**	679,400
Cash and cash equivalents at beginning of year		**1,396,070**	99,641	**679,400**	-
Cash and cash equivalents at end of year	14	**592,171**	1,396,070	**425,574**	679,400

The accounting policies and notes on pages 22 to 46 form part of these Financial Statements.

ACCOUNTING POLICIES

1 General Information

Coinsilium Group Limited ("the Group" or "the Company") is a limited liability company domiciled in the British Virgin Islands and is quoted on the NEX Growth Market. The Company was incorporated on 25 September 2014.

The principal business of the Company and its subsidiaries (together the "Group") is investing in and accelerating blockchain technology companies, together with a venture builder and token sale adviser. Headquartered in London, the Group accelerates and finances innovative blockchain companies, with the intent of supporting the further development and commercialisation of these technologies. The Group also provides advisory and promotional services to technology startups and companies looking to issue tokens via Token Generation Events such as Initial Coin Offerings.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation of Financial Statements

The Group and Company Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union.

The Financial Statements have been prepared on the historical cost basis, except for the measurement to fair value of certain financial assets and financial instruments as described in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are disclosed in Note 4.

2.2 New IFRS standards and interpretations

(i) *During the year the Group and Company have adopted the following standards and amendments*:

Standard	
IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers
Annual improvements	IFRS standards 2014-2016 cycle
IFRS 2 (amendments)	Classification and measurement of share based payment transactions

The Group and Company had to change its accounting policy and make certain reclassification adjustments following the adoption of IFRS 9. This is disclosed in note 31. The adoption of the other standards and amendments did not have any material impact on the financial position of the Group or Company.

ACCOUNTING POLICIES (continued)

2.2 New IFRS standards and interpretations (continued)

At the date of authorisation of these Group and Parent Company Financial Statements, the following Standards, amendments and interpretations were endorsed by the EU but not yet effective:

Standard	
IFRS 16	Leases
IFRIC 23	Uncertainty over income tax treatments
IAS 28 (amendments)	Long term interests in associates and joint ventures
Annual improvements	IFRS standards 2015-2017 cycle

In addition to the above there are also the following standards and amendments that have not yet been endorsed by the EU:

Standard	
IFRS 3 (amendments)	Business combinations
IAS 1 and IAS 8 (amendments)	Definition of material

The Group intends to adopt these standards when they become effective. The impact of IFRS 16 has been assessed by management and no material adjustments will arise.

2.3 Basis of Consolidation

The Group Financial Statements consolidate the financial statements of Coinsilium Group Limited and the financial statements of all of its subsidiary undertakings made up to 31 December 2018.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the entity. Where an entity does not have returns, the Group's power over the investee is assessed as to whether control is held. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are stated at cost less provision for impairment.

2.4 Going Concern

In considering the Group's and Company's ability to continue in operation for the foreseeable future, the Directors have considered the Group's and Company's forecast operating cash-flows for the period up to the end of 30 June 2020, and all other related matters. This involved consideration of the cash flow implication of the budget.

The Directors have controlled expenditures throughout the period and feel the current level of expenditures is in line with a business of its size. The successful fund raise in December 2018, in conjunction with the ability to convert digital assets into cash and cash equivalents, provide a level of confidence but the Directors plan to remain cautious in the control over the Group's cash and liquid assets.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

2.5 Business Combinations

The acquisition of subsidiaries in a business combination is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

2.6 Foreign Currencies

(i) *Functional and presentation currency*

The functional currency of the Group and Company is UK Pound Sterling (£) and all values are rounded to the nearest Pound. This is on the basis that the Group is based in the United Kingdom, its overheads are generally incurred in sterling, its funds are generally held mainly in sterling bank accounts, and its investors have invested in sterling-based instruments. The Group financial statements are presented in UK Pound Sterling, which is the Group's presentational currency.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated at the exchange rate ruling at the date of each transaction. Foreign currency monetary assets and liabilities are retranslated using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction.

2.7 Intangible Assets

(i) *Brands and Trademarks*

Brand and trademark intangible assets have been recorded at cost, being their estimated fair value at the time of acquisition. They are amortised over their estimated useful economic lives.

2.8 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Office equipment - 33.33% straight line over the life of the asset

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

ACCOUNTING POLICIES (continued)

2.9 Financial Assets

From 1 January 2018 the Group and Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss; and
- Those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. The Group's and Company's financial assets at amortised cost include trade and other receivables and cash and cash equivalents. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group and Company classifies the following financial assets at fair value through profit or loss:

- Debt instruments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income; and
- Equity investments for which no election has been made to recognise fair value gains and losses through other comprehensive income.

The Group and Company measures all equity investments at fair value through profit or loss.

ACCOUNTING POLICIES (continued)

2.9 Financial Assets (continued)

Accounting policies applied until 31 December 2017

The Group and Company has applied IFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the previous accounting policy.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition. All financial assets are recognised and derecognised when the Group and Company becomes party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and liabilities are as set out below.

For the purpose of subsequent measurement, financial assets have been classified into the following categories on initial recognition:

- Available for sale (AFS) financial assets
- Loans and receivables

Financial assets are assessed for indicators of impairment at each statement of financial position reporting date. Provision against financial assets is made where there is objective evidence that the value of a financial asset or a group of financial assets is impaired.

The amount of the write down is determined based on the category of the financial asset as set out below.

(i) Available for Sale Investments

Available for sale assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. These are included in non-current assets unless management intends to dispose of them within 12 months of the end of the reporting period.

Available for sale investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment.

Unquoted investments are valued by the Directors using primary valuation techniques such as recent transactions, last price or net asset value.

Where the fair value of an equity investment cannot be estimated reliably, such as investments in unquoted companies, fair value is based on cost less any impairment charges. In this case impairment charges are recognised in profit or loss. The Group assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets classified as available-for-sale has been impaired.

ACCOUNTING POLICIES (continued)

2.9 Financial Assets (continued)

(i) Available for Sale Investments (continued)

An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

(ii) Loans and Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments. In relation to the Company, loans to and from subsidiaries are also recognised within this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Other financial assets are also classified within the loans and receivables category.

(iii) Impairment of Financial Assets

The Group and Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's effective interest rate.

Impairment testing of available-for sale financial assets is described in Note 4.

2.10 Other Current Assets

Other current assets are digital assets, including tokens and cryptocurrency, which do not qualify for recognition as cash and cash equivalents or financial assets, and have an active market which provides pricing information on an ongoing basis. Other current assets are initially measured at fair value. Subsequently, digital assets are measured at fair value. Gains and losses on measurement are recognised in other comprehensive income except for impairment losses which are recognised directly in profit or loss. This treatment is consistent with the revaluation model applied to intangible assets in accordance with IAS 38. Where a digital asset is disposed of, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss. Digital assets are included in current assets as management intends to dispose of them within 12 months of the end of the reporting period.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and current and deposit balances at banks with maturities of three months or less from inception.

ACCOUNTING POLICIES (continued)

2.12 Current and Deferred Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the group or parent company financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates and laws that are expected to apply in the period when the liability is settled or the asset is recognised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

2.13 Financial liabilities

Financial liabilities are recognised when the Group and Company becomes party to the contractual provisions of the instrument and are initially measured at fair value. They are derecognised when extinguished, discharged, cancelled or expired.

The Group’s and Company’s financial liabilities comprise trade and other payables.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, less settlement payments.

2.14 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The share capital account represents the amount subscribed for shares at nominal value. Since the Company’s shares have a £Nil par value, no amounts are credited to share capital and all amounts received on the initial issuing of shares are credited to the share premium.

Treasury shares represent the cost of the Company’s investment in its own shares.

Other reserves represent the accumulated fair value adjustments on other current assets that are not permanently impaired.

Share option reserve represents the fair values of share options and warrants granted.

Retained earnings/(deficit) include all results as disclosed in the statement of comprehensive income.

ACCOUNTING POLICIES (continued)

2.15 Share Based Payments

The Group makes payments to third parties through share-based schemes, under which the entity receives services from third party suppliers as consideration for equity instruments (shares, options and warrants) of the Group. The Group may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued.

The total amount to be expensed or charged in the case of options is determined by reference to the fair value of options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

In the case of shares and warrants, the amount charged to the share premium account is determined by reference to the fair value of the services received.

2.16 Revenue

Revenue comprises the fair value of the consideration received or receivable for consultancy and advisory services provided, excluding VAT and relevant sales taxes.

Revenue is recognised for services when the Group has satisfied its contractual performance obligation in respect of the services. The amount recognised for the services performed is the consideration that the Group is entitled to for performing the services provided. Consultancy and advisory services are recognised over time whereas success fees on completion of a Token Generation Event are recognised at a point in time.

The majority of contracts for services and success fees are for a fixed amount of tokens and cryptocurrency, which equates to the fair value of services provided. Revenue is recorded at the token or cryptocurrency rate as quoted on the date the performance obligation is fulfilled.

2.17 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases.

Where the Group is a lessee, payments in respect of operating leases agreements are recognised as an expense on a straight line basis over the period of the lease, net of any incentives received from the lessor. Associated costs, such as maintenance and insurance are expensed as incurred.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks being market risk (including interest rate risk, and currency risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market Risk

(i) Foreign currency risks

At 31 December 2018, management maintained the majority of the Group's cash assets in sterling bank accounts to minimise foreign currency risk. The Company will continue to hold any significant cash assets in sterling.

In respect of investments, management believe that the foreign currency risk is a far lower risk than the market risk and do not currently actively look to manage foreign currency risk arising from investments.

The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

(ii) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. As the Group has no borrowings, it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit, and from the provision of convertible loans, which are not significant.

(iii) Price Risk

The Group is exposed to equity securities price risk because of investments held and classified in the Statement of Financial Position as financial assets through profit or loss. To manage its price risk arising from investments in equity securities, the Group could diversify its portfolio. However, given the size of the Group's operations, the costs of managing exposure to securities price risk exceed any potential benefits. In addition, the Group is exposed to high levels of price volatility in cryptocurrency and tokens. The Group currently seeks to manage price volatility risk by actively monitoring its portfolio of digital assets. The Directors will revisit the appropriateness of these policies should the Group's operations change in size or nature. The Group has no exposure to commodity price risk.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Group's credit risk is attributable to cash and cash equivalents and trade and other receivables. The credit risk on cash is limited because the Group invests its cash in deposits with well-capitalised financial institutions with strong credit ratings.

Liquidity Risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at 31 December 2018 the Group had unrestricted cash of £592,171 to settle trade and other payables of £93,340. Most of these accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

3.2 Fair Value Estimation

Fair value measurements are disclosed according to the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). This is the case for unlisted equity securities.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018 and 2017:

	Level 1	Level 2	Level 3	Total
Assets	**£**	**£**	**£**	**£**
Financial assets at fair value through profit or loss				
- Equity holdings	-	-	1,362,200	1,362,200
Other current assets				
- Tokens	-	251,810	-	251,810
Total assets at 31 December 2018	**-**	**251,810**	**1,362,200**	**1,614,010**

	Level 1	Level 2	Level 3	Total
Assets	**£**	**£**	**£**	**£**
Available-for-sale financial assets				
- Equity holdings	-	-	1,078,312	1,078,312
Other current assets				
- Tokens	-	652,495	-	652,495
Total Assets at 31 December 2017	**-**	**652,495**	**1,078,312**	**1,730,807**

Movements in financial assets at fair value through profit or loss for the year ended 31 December 2018 are disclosed in Note 9 to the Financial Statements. Movements in available-for-sale financial assets for the year ended 31 December 2017 are disclosed in Note 10 to the Financial Statements.

All financial assets are in unlisted securities and many are in companies which are pre-revenues.

Movements in other current assets for the year ended 31 December 2018 are disclosed in Note 15 to the Financial Statements. A level 2 hierarchy has been attributed to tokens as the traded exchanges are directly derived from the active market for Ether and Bitcoin exchanges.

There were no transfers between levels during the year.

3.2 Fair Value Estimation (continued)

The Group recognises the fair value of financial assets at fair value through profit or loss at the cost of investment unless:

- There has been a specific change in circumstances which, in the Group's opinion, has permanently impaired the value of the financial asset. The asset will be written down to the impaired value;
- There has been a significant change in the performance of the investee compared with budgets, plans or milestones;
- There has been a change in expectation that the investee's technical product milestones will be achieved or a change in the economic environment in which the investee operates;
- There has been an equity transaction, subsequent to the Group's investment, which crystallises a valuation for the financial asset which is different to the valuation at which the Group invested. The asset's value will be adjusted to reflect this revised valuation; or
- An independently prepared valuation report exists for the investee within close proximity to the reporting date.

3.3 Capital Risk Management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to develop and support its interests in cryptocurrency and blockchain technology products and services and provide returns for shareholders and benefits for stakeholders.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group considers its capital to include share capital and share premium. Net cash comprises cash and cash equivalents only as there is no debt held.

4. Critical Accounting Estimates and Judgements

The preparation of the Group and Company Financial Statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates.

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

Significant items subject to such estimates and assumptions include, but are not limited to:

(i) Fair Value Measurement

On acquisition, investments are valued at cost as this is deemed to be the fair value. Subsequent to this, management uses valuation techniques and other relevant information to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

4. Critical Accounting Estimates and Judgements (continued)

(ii) Share Based Payments

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant of share options and warrants. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield and making assumptions about them.

Critical judgements in applying the Group's accounting policies include, but are not limited to:

(i) Assessment of Control and Significant Influence

Where the proportion of equity held in an investment is near or above 20%, the Directors consider carefully whether the Group has significant influence over the entity. The Directors consider the percentage of equity held, representation on the Board and the extent to which they are actually involved with management of the entity and their ability to change the percentage of equity held/ influence management in the future. Where management believes that the Group exerts significant influence over an investment, the investment will be considered an associate investment and equity accounted in the Financial Statements.

In the case of many of the investments acquired from Seedcoin Limited, Coinsilium Group Limited has agreed not to exercise its rights as a shareholder to influence the operation of the investees' businesses for the first twelve months after it acquired an interest in the investment. These agreements override any potential rights to exert significant influence or control these businesses, either as shareholder or through the appointment of Directors. Accordingly, the Directors have concluded these investments should be classified as available for sale investments as the Group has agreed and is legally bound not to exert any significant influence or control over these investments.

Following the lapse of the 12-month period over which the Group is legally bound not to appoint a director to the Board, or to influence strategic or operational policy over the investee, the Group may henceforth be required to reclassify some or all of these investments as either associates or subsidiaries as may be the case considering the situation at the time.

(ii) Impairment of Financial Assets

Financial assets at fair value through profit or loss have a carrying value of £1,362,200 at 31 December 2018.

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of, and short-term business outlook for, the investee, including factors such as industry and sector performance, changes in technology and operational, financing cash flow and proposed fundraising.

5. Segmental Reporting

The Group operates in two geographical areas; the UK and British Virgin Islands (BVI). The Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in BVI relate to investment, and activities in HK relate to advisory services. The reports used by the chief operating decision maker are based on these geographical segments.

The Group generated revenue of £1,682,373 during the year ended 31 December 2018 (2017: £586,263). The Company generated revenue of £1,674,807 during the year ended 31 December 2018 (2017: £583,997).

2018	**BVI £**	**UK £**	**Total £**
Revenue	1,674,807	7,566	1,682,373
Cost of Sales	(377,421)	(789)	(378,210)
Administrative expenses	(420,349)	(689,561)	(1,109,910)
Finance income	745	223	968
Profit/(loss) from operations per reportable segment	877,782	(682,561)	195,221
Depreciation	-	(318)	(318)
Impairments to other current assets	(973,147)	-	(973,147)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	(188,781)	-	(188,781)
Finance costs	(14,556)	(453)	(15,009)
Loss for the year	(298,702)	(683,332)	(982,034)
Additions to non-current assets	395,076	-	395,076
Disposals of non-current assets	(39,987)	-	(39,987)
Reportable segment assets	2,450,557	-	2,450,557
Reportable segment liabilities	43,812	49,528	93,340

2017	**BVI £**	**UK £**	**Total £**
Revenue	583,997	2,266	586,263
Cost of Sales	(714)	-	(714)
Administrative expenses	(296,725)	(379,729)	(676,454)
Finance income	25,624	76	25,700
Profit/(loss) from operations per reportable segment	312,182	(377,387)	(65,205)
Depreciation	-	(318)	(318)
Impairment	(303,576)	-	(303,576)
Gain on disposal of available for sale assets	490,719	-	490,719
Finance costs	(275)		(275)
Profit for the year	499,050	(377,705)	121,345
Additions to non-current assets	476,947	-	476,947
Disposals of non-current assets	(431,257)	-	(431,257)
Reportable segment assets	2,982,440	707,961	3,690,401
Reportable segment liabilities	43,747	43,665	87,412

6. Expenses by Nature

	Group	
	2018	**2017**
	£	**£**
Consultancy fees	174,159	**-**
Directors' remuneration (note 20)	298,000	193,710
Staff and subcontractor costs	168,678	22,026
Bad debts	377,421	18,300
Depreciation	318	318
Fees payable to Company's auditors	23,645	25,700
Property costs	52,985	46,328
Marketing and promotional	84,661	69,954
Legal and professional	122,637	173,446
Other expenses including foreign exchange	185,934	126,990
Total cost of sales and administrative expenses	**1,488,438**	**677,486**

7. Intangible Assets

	Group	**Company**
	Trademarks	Trademarks
	£	£
Cost		
As at 31 December 2017	**6,020**	**1,860**
Amounts written off	(2,300)	-
As at 31 December 2018	**3,720**	**1,860**

The intangible assets comprise two trademarks purchased for TerraStream and Tokenomix.

8. Property, Plant and Equipment

	Group	**Company**
	Office Equipment	**Office Equipment**
	£	**£**
Cost		
As at 31 December 2016	**1,681**	**-**
Additions during the year	142	**-**
As at 31 December 2017	**1,823**	**-**
Additions during the year	-	-
As at 31 December 2018	**1,823**	-

8. Property, Plant and Equipment (continued)

	Group	Company
	Office Equipment	Office Equipment
	£	£
Depreciation		
As at 31 December 2016	598	-
Charge for the year	318	-
As at 31 December 2017	**916**	-
Charge for the year	318	-
As at 31 December 2018	**1,234**	
Net book value as at 31 December 2017	**907**	**-**
Net book value as at 31 December 2018	**642**	**-**

9. Financial assets at fair value through profit or loss

The Group classifies equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income as financial assets at fair value through profit or loss (FVPL). See note 31 for explanations regarding the change in accounting policy and the reclassification of investments from available-for-sale to financial assets at FVPL following the adoption of IFRS 9.

	Unlisted Security Asia	Unlisted Security United Kingdom	Unlisted Security Rest of Europe	Unlisted Security Americas	Unlisted Security Rest of World	Total
	£	£	£	£	£	£
At 1 January 2018	-	342,894	454,208	281,211	-	1,078,312
Additions including conversion of loans	252,905	23,899	-	-	235,851	512,655
Disposals	-	-	(39,987)	-	-	(39,987)
Fair value movement	5,961	(211,936)	549	17,270	(625)	(188,780)
At 31 December 2018	258,866	154,857	414,770	294,481	235,226	1,362,200

The Group converted loans into shares for Coin-Dash Ltd and Indorse Pte Ltd.

The Group invested in Indorse Pte. Ltd., Bundle Network Limited, Elevate Limited, and RSK Labs Limited during the year and disposed of its investment in Consentio S.L.

The Directors fully impaired the investment in Bitcoinforme S.L., Fuzo Ltd and Coins.sx Limited in the year.

At 31 December 2018, the Group and Company owns unlisted shares in:

- Factom Inc., a company incorporated in the United States;
- Neuroware.io Inc., a company incorporated in the United States;
- Helperbit s.r.l, a company incorporated in Italy;

9. Financial assets at fair value through profit or loss (continued)

- RSK Labs Limited, a company incorporated in the British Virgin Islands;
- StartupToken Limited, a company incorporated in Gibraltar;
- Elevate Limited, a company incorporated in Gibraltar;
- Bundle Network Limited, a company incorporated in Malta; and
- Indorse Pte. Ltd., a company incorporated in Singapore.

Financial assets at fair value through profit or loss (2017: Available for sale assets) are denominated in the following currencies:

	2018	2017
	£	£
UK Pound	**360,905**	**360,905**
Euro	**53,865**	**93,303**
US Dollar	**688,564**	**624,104**
Singapore Dollar	**258,866**	**-**
Total	**1,362,200**	**1,078,312**

10. Financial assets previously classified as Available-for-Sale Financial Assets

	Unlisted Security Asia	Unlisted Security United Kingdom	Unlisted Security Rest of Europe	Unlisted Security Americas	Listed Security United Kingdom	Total
	£	£	£	£	£	£
At 1 January 2017	202,214	435,386	153,649	254,527	23,400	1,069,176
Additions	-	40,463	360,905	40,463	-	441,831
Disposals	-	(167,237)	-	-	(23,400)	(190,637)
Impairment	(202,214)	(38,305)	(61,375)	-	-	(301,894)
Fair value movement	-	72,587	1,029	(13,779)	-	59,836
At 31 December 2017	-	342,894	454,208	281,211	-	1,078,312

The Directors fully impaired the investment Fuzo Pty Ltd, Cryptopay and Bit2Me. The directors also partially impaired 25% of the Group’s investment in Consentio.

During the year, the Group disposed its investment in SatoshiPay Limited for €725,220 in cash and sold the remaining shares held in Lionsgold Limited.

The Group invested in StartupToken and converted loans into shares in both RSK and Factom.

11. Investments in Subsidiary Undertakings

	Company	
	2018	2017
	£	£
Shares in Group Undertakings		
At 1 January	**1,644,333**	**1,644,333**
At 31 December	**1,644,333**	**1,644,333**
Loans to subsidiary undertakings	**82,965**	**855,652**
Total	**1,727,298**	**2,499,985**
Loans payable to subsidiary undertakings	**-**	**-**
Total	**-**	**-**

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid.

Details of Subsidiary Undertakings

Name of subsidiary	Place of business	Parent company	Registered capital	Share capital held	Principal activities
Coinsilium Limited	United Kingdom	Coinsilium Group Limited	Ordinary shares £0.0001	100%	Advisory services
Seedcoin Limited	British Virgin Islands	Coinsilium Group Limited	Ordinary shares £Nil	100%	Investment
Blockchain Space Limited	Hong Kong	Coinsilium Group Limited	Ordinary shares HK$1.00	100%	Operating accelerator programmes
TerraStream Limited	Gibraltar	Coinsilium Group Limited	Ordinary shares £1,000	100%	Venture building for token related activities
Flowstone Capital Limited	Gibraltar	Coinsilium Group Limited	Ordinary shares £1,000	100%	Fund management (dormant)
Flowstone Management Limited	Gibraltar	Coinsilium Group Limited	Ordinary shares £2,000	100%	Fund management (dormant)

The registered office address of Coinsilium Limited is 32 Threadneedle Street, London, England EC2R 8AY.

The registered office address of Seedcoin Limited is Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The registered office address of Blockchain Space Limited is Golden Centre, 188 Des Voeux Road Central, Hong Kong.

The registered office address of TerraStream Limited is Portland House, Glacis Road, Gibraltar.

The registered office address of Flowstone Capital Limited is 5-9 Main St, Gibraltar.

The registered office address of Flowstone Management Limited is 5-9 Main St, Gibraltar.

12. Trade and Other Receivables

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade receivables	**133,067**	48,217	**133,067**	48,217
VAT receivable	**17,205**	8,623	**9,956**	4,478
Prepayments and accrued income	**45,537**	380,016	**44,666**	378,675
Other receivables	**44,258**	2,162	**39,200**	1,869
	240,067	439,018	**226,889**	433,239

The fair value of all trade and other receivables is the same as their carrying values stated above.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
GBP	**154,798**	12,126	**141,619**	6,347
US$	**85,269**	426,892	**85,269**	426,892

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

13. Other Financial Assets

In January 2018, the Group exercised its option to acquire a further 3.5% of the share capital of Indorse Pte. Ltd. ("Indorse") for SG$175,000 (circa GBP 97,000) taking its total holding to 6.5%.

In March 2018, the Group exercised its option to acquire a further 3.5% of the share capital of Indorse Pte. Ltd. ("Indorse") for SG$175,000 (circa GBP 97,000) taking its total holding to 10%.

In July 2018, the Group entered into an advisory agreement with Elevate Limited through which the Group acquired 5% of the share capital of Elevate Limited in exchange of advisory services valued at US$50,000.

In August 2018, the Group invested US$125,000 in Bundle Network Limited ('Bundle Network'), a Malta-registered company developing an online platform connected to multiple exchanges and facilitating cryptocurrency trading on these exchanges.

During the year, the Group fully impaired the value of its equity stakes in Coins.sx, Bitcoinforme S.L. and Fuzo Limited.

The carrying value as at 31 December 2018 is £nil (2017: £117,579).

14. Cash and Cash Equivalents

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Cash at bank	**592,171**	1,396,070	**453,559**	679,400

15. Other Current Assets

	Digital assets and tokens £	Total £
At 1 January 2017	-	-
Additions	139,105	139,105
Fair value movement	513,390	513,390
At 1 January 2018	652,495	652,495
Additions	1,085,852	1,085,852
Impairment	(973,147)	(973,147)
Fair value movement	(513,390)	(513,390)
At 31 December 2018	251,810	251,810

Other current assets are digital assets, including tokens and cryptocurrency, which do not qualify for recognition as cash and cash equivalents or financial assets, and which have an active market which provides pricing information on an ongoing basis.

Breakdown of digital assets:
Bitcoin: 11.78 BTC valued at £35,415
Ether: 1,223.07 ETH valued at US$167,451

Token valuations as of 31 December 2018:
3,886,082 Coindash tokens valued at £23,962 (CDT traded on Binance)
456,342 Indorse tokens valued at £3,347 (IND traded on Liqui, HitBTC)
417,500 Gimli tokens valued at £335 (GIM traded on EtherDelta)
2,446,201 DomRaider tokens valued at £3,884 (DRT traded on HitBTC)
285,080 Dether tokens valued at £2,043 (DTH traded on Ethfinex)
445,667 MedicalChain tokens valued at £2,139 (MTN traded on Huobi Global)
1,582,000 STACS tokens valued at £26,768 (STACS traded on GBX)
75,000 ICON Foundation tokens valued at £14,050 (ICX traded on Binance)

16. Trade and Other Payables

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade payables	**41,675**	43,852	**13,377**	19,586
Other taxation and social security	**22,038**	14,413	**2,874**	-
Accrued expenses	**29,627**	25,298	**14,140**	19,803
Other payables	-	3,849	-	-
	93,340	87,412	**30,391**	39,389

17. Financial Instruments

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Financial Assets				
Financial assets at amortised cost				
Trade and other receivables	**177,325**	430,395	**172,267**	428,761
Cash and cash equivalents	**592,171**	1,396,070	**425,574**	679,400
Other financial assets	**-**	117,579	**-**	-
Available for sale financial assets	**-**	1,078,312	**-**	360,905
Financial assets at fair value through profit or loss	**1,362,200**	-	**360,905**	-
	2,131,696	3,022,356	**958,746**	1,469,066

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Financial Liabilities				
Liabilities at amortised cost				
Trade and other payables	**71,302**	72,999	**27,518**	39,389
	71,302	72,999	**27,518**	39,389

18. Share Capital and Premium

On 25 September 2014, Coinsilium Group Limited was incorporated to act as the holding company for the Group. On incorporation, 1 share was issued at £Nil par value.

Issued share capital

Group and Company	**Number of shares**	**Ordinary shares £**	**Share premium £**	**Total £**
As at 1 January 2018	122,743,055	-	5,945,224	5,945,224
Issue of new shares for services – 12 June 2018	444,444	-	50,000	50,000
Issue of new shares for services – 8 October 2018	187,500	-	16,875	16,875
Issue of new shares for cash – 12 December 2018	9,178,125	-	367,125	367,125
Less: fundraising expenses	-	-	(9,250)	(9,250)
As at 31 December 2018	**132,664,234**	**-**	**6,369,974**	**6,369,974**

Treasury shares

During the year the Company acquired 2,000,000 of its own shares at 9p per share and 450,000 of its own shares at 5.45p per share. The Company sold 100,000 of its own shares at 9p per share. As at 31 December 2018, the Company holds 5,850,000 of its own shares as Treasury shares (2017: 3,500,000 shares). The Company has the right to dispose of these Treasury shares at a future date.

19. Other Reserves

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Share option reserve	**101,304**	81,275	**101,304**	81,275
	101,304	81,275	**101,304**	81,275

20. Share Options and Warrants

Movements in the number of share options and warrants outstanding and their related weighted average exercise prices are as follows:

	2018		2017	
	Number	**Weighted average exercise price £**	**Number**	**Weighted average exercise price £**
At 1 January	**11,439,475**	**0.18**	13,439,475	0.18
Granted – options	11,250,000	0.112	-	-
Granted - warrants	9,178,125	0.075	-	-
Lapsed – options	(7,750,000)	0.20	(2,000,000)	0.20
Lapsed - warrants	(1,500,000)	0.20	-	-
Outstanding at 31 December	**22,617,600**	**0.096**	11,439,475	0.18
Exercisable at 31 December	**22,617,600**	**0.096**	11,439,475	0.18

Share options outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Expiry Date	**Exercise Price in £ per share**	**2018**	**Exercise Price in £ per share**	**2017**
24 December 2018 – Share options	0.20	-	0.20	7,750,000
30 March 2019 – Share options	0.12	189,475	0.12	189,475
28 June 2019 – Share options	0.10	2,000,000	0.10	2,000,000
12 December 2010 – Share warrants	0.075	9,178,125	-	-
13 September 2023 – Share options	0.09	5,750,000	-	-
13 September 2023 – Share options	0.135	5,500,000	-	-
24 December 2018 – Share warrants	-	-	0.20	1,500,000
	0.096	**22,617,600**	**0.18**	**11,439,475**

11,250,000 share options were granted during the year. 50% of the options are exercisable immediately at 9 pence per share and 50% are exercisable after six months at 13.5 pence per share. The options are valid for five years. The weighted average fair value of options granted during the year, determined using the Black-Scholes valuation model, was £0.0017 per option. The significant inputs into the model was share price at the grant date, exercise price as shown above, volatility of 16.34%, dividend yield of nil, and expected option life of 5 years and an annual risk-free interest rate of 0.50%. The total expense recognised in administration expenses for share options granted was £20,029.

20. Share Options and Warrants (continued)

Range of exercise prices	Number of Shares	Weighted average remaining life (expected) years	Weighted average remaining life (contracted) years
£0.075	9,178,125	1.95	1.95
£0.09	5,750,000	4.70	4.70
£0.10	2,000,000	0.49	0.49
£0.12	189,475	0.24	0.24
£0.135	5,500,000	4.70	4.70

21. Employees

The Group had one full time employee and four Directors for part of the period. Details of Directors' remuneration are disclosed in Note 22.

22. Directors' Remuneration

All Directors are considered to be key management personnel.

	Short Term Employee Benefits £	Share based payments £	Total £
Executive Directors			
Eddy Travia	110,000	2,000	112,000
Malcolm Palle	110,000	2,000	112,000
Non-Executive Directors			
Tony Sarin	35,000	2,000	37,000
Craig Brown	35,000	2,000	37,000
At 31 December 2018	**290,000**	**8,000**	**298,000**

	Short Term Employee Benefits £	Share based payments £	Total £
Executive Directors			
Eddy Travia	72,364	12,000	84,364
Malcolm Palle	49,000	14,000	63,000
Non-Executive Directors			
Tony Sarin	28,000	14,000	42,000
Craig Brown	4,346	-	4,346
At 31 December 2017	**153,710**	**40,000**	**193,710**

No pension benefits are provided for any Director.

23. Auditors Remuneration

During the year, the Group obtained the following services from the auditor:

	Group	
	2018	2017
	£	£
Fees payable to the auditor for the audit of the Group and Company Financial Statements	**20,000**	18,000

24. Finance Income / Costs

	Group	
	2018	2017
	£	£
Finance income – bank interest and interest on convertible loan notes	**968**	25,700
Finance costs	**(15,009)**	(275)

25. Taxation

	Group	
	2018	2017
	£	£
Current tax	**-**	-
Deferred tax	**-**	-
Tax charge/(credit)	**-**	-

	Group	
	2018	2017
	£	£
Profit/(Loss) before tax	**(982,034)**	121,345
Tax on BVI loss of £373,918 @ 0%	**-**	-
Tax on UK loss of £608,186 @ 19%	**(115,555)**	(71,764)
Tax losses carried forward on which no deferred tax asset is recognised	**115,555**	71,764
Tax charge/(credit)	**-**	-

No charge to taxation arises due to the tax rate of 0% in BVI and the losses incurred in the UK.

The Company has UK tax losses of approximately £1,560,000 available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilised.

26. Earnings per Share

Group

The calculation of basic earnings per share of £(0.0079) is based on the loss attributable to equity owners of the parent company of £982,034 and on the weighted average number of ordinary shares of 124,611,015 in issue during the period.

In accordance with IAS 33, basic and diluted earnings per share are identical as no share options or warrants were in the money based on the average share price throughout the year.

27. Commitments

The Group leases office premises and apartments under short-term operating lease agreements. The future aggregate minimum lease payments under short-term operating leases are as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Not later than one year	**21,504**	26,789	**21,504**	-
Total lease commitment	**21,504**	26,789	**21,504**	-

28. Related Party Transactions

Loan from Coinsilium Group Limited to Seedcoin Limited

As at 31 December 2018 there were amounts receivable outstanding from Seedcoin Limited of £887,065 (2017: £554,980). No interest was charged on the loan. The amount receivable has been fully impaired in the year.

Loan from Coinsilium Group Limited to Blockchain Space Ltd

As at 31 December 2018 there were amounts receivable of £24,416 (2017: £24,386) from Blockchain Space Ltd. No interest was charged on the loan.

Loan from Coinsilium Group Limited to Coinsilium Limited

As at 31 December 2018 there were amounts receivable of £1,282,255 (2017: £272,125) from Coinsilium Group Limited. No interest was charged on the loan. An impairment charge of £344,488 was recognised in the year.

Loan from Coinsilium Group Limited to TerraStream Limited

As at 31 December 2018 there were amounts receivable of £55,058 (2017: £4,160) from TerraStream Limited. No interest was charged on the loan.

All intra-group transactions are eliminated on consolidation.

29. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

30. Events after the Reporting Date

Since the end of the reporting period:

21 January 2019 – Coinsilium Group announced Eddy Travia, Chief Executive Officer, purchased 111,111 ordinary shares at 4 pence per share and Malcolm Palle, Executive Chairman, purchased 75,000 ordinary shares at 3.88 pence per share both persons discharging managerial responsibilities (PDMR), have purchased ordinary shares of no par value ("Ordinary Shares"). Eddy now holds 7,506,701 Ordinary Shares representing 5.92% and Malcolm now holds 8,134,234 Ordinary Shares representing 6.41%.

13 March 2019 – Coinsilium Group announced that the Company relocated its core management operations such as its advisory services division to Gibraltar to reduce the Company's operating costs, enabling Coinsilium to allocate more resources toward investments and the provision of revenue generating activities such as its accelerator and advisory services.

1 April 2019 - Coinsilium Group Limited completed the purchase of 50,000 of its Ordinary Shares in total, at a price of 2.5 pence per share. The total number of ordinary shares with voting rights is now 126,764,235 and 5,900,000 Ordinary Shares are held in treasury.

1 May 2019 - Coinsilium Group Limited completed the purchase of 230,000 of its Ordinary Shares in total, at an average price of 2.556 pence per share. The total number of ordinary shares with voting rights is now 126,534,235 and 6,130,000 Ordinary Shares are held in treasury.

31. Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 on the Group's and Company's Financial Statements, which was adopted without restating comparative information. The reclassifications arising are therefore not reflected in the Statement of Financial Position as at 31 December 2017, but are recognised in the opening Statement of Financial Position on 1 January 2018.

The following tables show the adjustments recognised for each individual line item. Line items in the Statement of Financial Position that were not affected have not been included.

Group	31 December 2017 £	IFRS 9 adoption £	1 January 2018 (restated) £
Non-current assets			
Financial assets at fair value through profit or loss (FVPL)	-	1,078,312	1,078,312
Available-for-sale financial assets	1,078,312	(1,078,312)	-
Equity			
Other reserves	687,706	(174,316)	513,390
Retained losses	(3,032,466)	174,316	(2,858,150)

Company			
Non-current assets			
Financial assets at fair value through profit or loss (FVPL)	-	360,905	360,905
Available-for-sale financial assets	360,905	(360,905)	-