COINSILIUM GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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, 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 2017.

Strategy Highlights

- Transformational year as Coinsilium successfully transitioned from a pure investor in early-stage blockchain technology startups to a venture builder and token sale adviser
- Launched its Advisory Services for Token Generation Events ("TGE's")
- Expanded its advisory services capacity with the 30% acquisition of StartupToken Limited, a blockchain startup accelerator providing advisory and promotional services to technology startups and companies looking to issue tokens via TGE's
- Circa USD500m in token sales generated by Coinsilium's advisory clients to date, providing the Group with significant fee income and making its Advisory Services cash generative in its first year
- Established Terrastream Limited ("Terrastream"), a blockchain-powered platform for token-based funding alternatives based in Gibraltar
- Post period end, and due to the considerable growth in its digital token Advisory Services, the Group is in the process of establishing a private fund, located in Gibraltar, to manage all digital tokens granted to and earned by Coinsilium

Financial summary

- Revenue increased by 181% to £586,263 (2016: £208,627)
- Total Comprehensive Income* of £679,633 (2016: loss of £896,552)
- Profit for the period from continuing operations £121,345 (2016: loss of £738,065)
- Profit per share of £0.001 (2016: loss per share of £0.01)
- Available for sale financial assets amounted to £1.1m at 31 December 2017 (31 December 2016: £1.1m)
- Successful fundraising totalling £1.57m in four tranches in 2017
- USD$5.34m** in digital assets held and to be received
- As at 31 December 2017 cash and cash equivalents amounted to £1,396,070 (31 December 2016: £99,641)

* Total Comprehensive Income includes unrealised fair value gains and losses on available for sale financial assets and digital assets
** Total value of digital assets as of 23 January 2018

The Directors present their report, together with the Group Financial Statements and Auditor's Report, for the year ended 31 December 2017. The comparative period is the year ended 31 December 2016.

Review of the Year

The year to the 31 December 2017 was transformational for the blockchain technology sector and for Coinsilium in particular. Thanks to the surge in valuations of cryptocurrencies in the second half of the year, the sector also caught the attention of the wider market.

Thanks to the board's industry profile and experience, Coinsilium was able to take advantage of these conducive conditions, consolidating its first mover position to capitalise on some significant opportunities in the emerging Digital Token space. This has been evidenced by the exponential growth of Coinsilium's newly created Advisory Services division which, since its launch in July 2017, has signed 10 advisory clients and is credited with most of the revenue generated during the reporting period of £586,263 (Consulting revenues 2016: £208,627).

The Group has taken significant steps through the year to position itself at the forefront of the burgeoning Token sector, supporting some innovative projects through their Token Generation Events ('TGE'), often referred to as Initial Coin Offerings ("ICO's"). It has done so by establishing itself as one of the 'go to' providers of advisory services with a proven industry track record. During the period Coinsilium increased its capacity to meet the growing demand of its Token Advisory Services with the 30% acquisition of StartupToken Limited, a complementary business which is aligned with the Company's strategy of leveraging its first-mover advantage in the blockchain technology sector to provide advisory services to companies targeting TGE's.

In August 2017, the Group extended its foot print with the launch of Terrastream, a blockchain powered platform for token funding alternatives based in Gibraltar. Gibraltar is set to become the first jurisdiction globally to provide a regulatory framework specifically designed for firms engaging in blockchain activities. It successfully launched its Distributed Ledger Technology ("DLT") regulatory framework on 1 January 2018 and is expected to publish a more specific set of regulations relating to "TGE's" during Q2 2018. The board continues to monitor the regulatory environment in Gibraltar to ensure that Terrastream is fully compliant with forthcoming regulation and well positioned to take advantage of any forthcoming opportunities.

Post year end

Post year end, the Group strengthened its management team with the appointment of Richard Lloyd, as Mining Industry Sector Advisor to Terrastream, and continues to grow its advisory team, to support the business in its growth trajectory.

In addition, Coinsilium announced on 23 January 2018 the establishment of its own private fund in Gibraltar to manage all digital tokens granted to and earned by Coinsilium.

- Advisory clients with a TGE either completed or to be completed post period fall within these sectors:

Sector	Advisory Clients
Education	**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.
Healthcare	**MedicalChain -** a platform using blockchain technology to securely store and share electronic health records. **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.
Payments	**Dether** - a peer-to-peer ecosystem of crypto buyers, sellers and physical shops.
Exchanges	**GBX** – The Gibraltar Blockchain Exchange ('GBX') - a subsidiary of the Gibraltar Stock Exchange - aims to be the world's first regulated institutional grade exchange to support token sales.
Trading	**Bundle Network** – Bundle Network aims to provide support services for the trading of multiple digital assets, easing the transaction process to trade quickly, safely, and efficiently.
Infrastructure	**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.
Adtech	**PLACTAL -** the first Dapp to be built on the EOS blockchain by a Korean technology development team, providing a data-driven decentralised mobile game advertising platform, connecting game companies and gamers in a direct and cost-efficient manner, without the need for intermediaries.

Outlook

The momentum seen in 2017 has accelerated at the start of 2018 as demand for Coinsilium's advisory services continues unabated and the Group's portfolio of investee companies continues to strengthen. Coinsilium advised 10 clients on TGE's for a total value raised of USD500m in 2017. The appetite for Token Generation Events is gathering pace, particularly in the Far East and Asia where the Group has already generated a healthy pipeline of businesses leads. The successful diversification of its business, to a venture builder and adviser, will in time, provide Coinsilium with additional revenue streams.

The board believes that the introduction of the regulatory framework in Gibraltar will have a positive effect on the demand for alternative funding options and believes that 2018 will prove a significant year for Terrastream Ltd. Coinsilium sees Gibraltar, and the forthcoming regulatory framework as playing a central role in the global recognition and acceptance of TGE's in the future. Therefore, the Group is evaluating the possibility of having a full-time presence in Gibraltar.

In addition, Management believes its strong portfolio of investee companies, which includes leading industry companies such as Indorse, RSK, and Factom, have great opportunities to become significant players of the future. Coinsilium is one of the pioneers in this fast-growing market and well positioned to leverage its expertise, contacts and know-how to deliver long term growth.

Financial Review

Revenue for the twelve months ended 31 December increased by 181% to £586,263 compared to £208,627 for 2016. The increase is attributable to the fees generated from its newly founded Token Advisory Services.

Total comprehensive income, including fair value gains and losses on available for sale financial assets and digital assets, reported a gain for the period of £679,633 compared to a loss of £896,552 in the previous year. This increase is attributable to TGE advisory services and a net gain on disposal of available for sale financial assets of £490,719.

Profit for the period from continuing operations was £121,345 (2016: loss of £738,065).

During the period, Coinsilium successfully raised £1.57m in four tranches. The funds raised were primarily used to invest in, support and accelerate blockchain technology companies, including some within Coinsilium's existing portfolio of investments and to fast-track the expansion of the Group's advisory service capability which is experiencing increasing levels of demand.

As at 31 December 2017, cash and cash equivalents amounted to £1,396,070 (2016: £99,641).

Eddy Travia
Executive Director
30 May 2018

Principal activities

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

Results and Dividends

SatoshiPay disposal

As announced on 1 August 2017 the Group completed the sale of its entire holding of 2,133 shares in investee company SatoshiPay Ltd ("SatoshiPay") to Blue Star Capital ('Blue Star') at the price of €340 per share for a total consideration in cash of €725,220. Under the terms of the PSA Coinsilium also received 85 million warrants over new Ordinary Shares of Blue Star, of which 42.5 million are exercisable at a price of 0.6 pence per Ordinary Share and 42.5 million are exercisable at a price of 0.8 pence per share for a 3-year period from completion of the acquisition (together the "Seller Warrants"). The consideration represents an increase of 362.6% compared to the price paid for these shares in 2015. No value has currently been attributed to the warrants, which did not have an intrinsic value either during the period or at the year-end.

The Group 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 Group generated revenues of £586,263 during the year ended 31 December 2017 (2016: £208,627).

At the year end, the Group had £1,396,070 in cash and cash equivalents.

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	Date of resignation
Eddy Travia	25 September 2014	
Tony Sarin	15 April 2015	
Hakim Mamoni	19 December 2014	30 January 2017
Malcolm Palle	19 January 2017	
Craig Brown	23 November 2017	

The Directors who served during the year ended 31 December 2017 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 2017 (or resignation date)	
Director	**Ordinary Shares**	**Options**	**Ordinary Shares**	**Options**
Eddy Travia*	7,373,368	2,000,000	7,373,368	2,000,000
Hakim Mamoni**			5,352,913	2,000,000
Tony Sarin	3,444,805	500,000	3,444,805	500,000
Malcolm Palle	7,837,021	-	7,837,021	-
Craig Brown	-	-	-	-

* held by Jet Trade Global Limited
**as of the Director's resignation date

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 2017 and will continue to be used by the Board to assess performance over the year ended 31 December 2018.

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 Group 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

- Advised 10 companies on their TGE's in 2017, 6 of which were successfully completed in 2017 and 3 completed post period.
- Companies which Coinsilium has advised and which completed their TGE before 31 December 2017 included: **Blox** (formerly known as Coindash), a platform which enables cryptocurrency investors to manage and analyse their crypto assets portfolio and share insights about the cryptocurrency market; **Indorse**, a blockchain-powered decentralised social network for professionals; **DomRaider**, a blockchain to enable organization and participation in auctions in a transparent, reliable, adaptable and interoperable way; **Gimli**, the first decentralised wagering solution for eSports on the blockchain; **HDAC**, a new blockchain to offer a wide range of capabilities to ensure reliable connection and secured processing between devices; **ICON** aims to build a decentralized network that allows independent blockchains with different governances to transact with one another without intermediaries.

Coinsilium's Token Advisory Services formed a key part in the Coinsilium's business strategy as the Group established itself with a proven track record of advising multiple successful TGE's. TGE's are being utilised across a broad range of industries and Coinsilium has advised companies in the education, healthcare, mobile advertising, social media, trading and investing, payments and Internet of Things ("IOT") sectors.

The second half of 2017 was a particularly active period for Coinsilium's 'Token Economy' related investment activities and advisory services division and the Company has now firmly established a strong industry reputation for supporting some notably successful TGE's such as ICON Foundation which collected ETH 150,000 as announced on 17 September 2017 and HDAC Technology AG which announced a combined pre-sale and TGE of $258m (in bitcoin equivalent at TGE completion day's rate) on 22 December 2017.

After announcing completion of its private pre-sale of ETH 3,956 on 23 December 2017, Dether Limited reached its target token sale amount of 15,000 ETH on 9 February 2018. Dether credits its successful token sale to the exposure and profile it received during a worldwide tour which included the StartupToken Asia Tour in October 2017. StartupToken is also an advisor to Dether.

The Gibraltar Blockchain Exchange ('GBX'), advised by Coinsilium, sold 'Rock Tokens' ("RKT") worth US$27m in its token sale which closed on 8 February 2018, with a total of 258.56 million RKT, representing US $21 million, distributed in the GBX pre-sale which concluded in December 2017, and 60 million RKT made available in the public token sale, representing US $6 million. Of the 60 million RKT distributed during the public token sale, GBX distributed 35 million to whitelisted registrants, while 25 million RKT were distributed by GBX strategic partner, QUOINE, a world-leading Japanese-based crypto exchange.

Coinsilium's advisory client MedicalChain, a platform using blockchain technology to securely store and share electronic health records, announced on 22 January 2018 that US$20m worth of MedTokens had been sold during the pre-sale period. The MedicalChain TGE was completed on 1 February 2018 reaching the target sale of a total of US$24m worth of tokens sold.

Investee Companies Update

Factom

Factom builds blockchain technology tools that maintain a permanent, time-stamped record of data. These tools can be used in enterprise software to simplify records management, record business processes, and address security, compliance and governance issues.

Factom began with the idea that unchangeable data and audit trails are the foundation for supporting the enterprise markets in the use of Blockchain technology. Over the last two years, Factom has been working on confidential projects with clients such as the U.S. Department of Homeland Security and the Bill and Melinda Gates Foundation.

Factom's mortgage industry-focused solution 'Harmony' is currently being successfully marketed to major corporates in this space. Factom has not released any client names using its Harmony solution at present time but they are likely to make some of this information public in 2018.

Milestone3 ("Factom M3") is the final milestone for the Factom Blockchain Protocol as outlined in its white paper. Using a distributed consensus model that combines elements of proof of stake, proof of usage and additional anchoring to provide proof of work, the Factom network is able to balance power within the system, disallowing people to gain 51% of power to then control the network.

M3 is a "Federated" version of the Factom network (previous federated version was known as "M2"). The first version Factom "Genesis" has been live since September 1, 2015. The Genesis version bootstrapped the Factom network with 1 Federated Server providing the anchors into Bitcoin, and anyone that could run a node. The 'Authority Nodes' of the M3 version are currently being selected and announced on Factom's official Twitter account.

Indorse

Indorse is a unique blockchain-powered, skill-based, decentralised network for professionals. On 8 June 2017 Coinsilium announced an investment into the Singapore-based company developing Indorse, Indorse Pte. Ltd, of SG$100,000 (circa £56,100) through a convertible loan.

Indorse successfully completed its token sale with proceeds reaching 27,422.98 ETH which was equivalent to US$9,049,585.60 at the time of the sale.

Coinsilium was granted an option to subscribe up to SG$350,000 worth of Indorse shares to reach 10% of the capital of Indorse Pte. Ltd which has been exercised in 2018. The Indorse platform is now live with 27,371 users.

Blox (formerly Coindash)

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.

At the end of December 2016, Blox (then called Coindash) won the Ether Camp hackathon. Coinsilium announced an investment into Coindash via convertible loan on 11 May 2017 ahead of the Coindash token sale which occurred on July 2017. Despite a security breach at the time of its token sale a sufficient amount of tokens was sold to finance the development of the Blox platform and its future operations. Most of the misappropriated funds have been returned to Blox since then. Blox total token market cap at the time of this report is worth US$27.3m.

Blox web and mobile crypto portfolio management applications are currently operational and help its users manage assets of $US2bn worth of cryptocurrencies.

Consentio

Consentio leverages blockchain technologies to streamline trade finance processes and transform the way businesses transact and secure payments of physical goods. Consentio partners with regulated payment platforms to hold the funds. Throughout the shipment of physical goods, official digital certificates are used. Smart contracts are designed to validate specific milestones such as shipping (proof of shipping); inventory and audits; delivery (proof of delivery).

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. Neuroware has been working for nearly two years with Ata Plus, one of six licensed ECF (Equity Crowdfunding) operators and the first regulated financial service provider in Malaysia to introduce blockchains at a production level.

By leveraging Neuroware's solution 'Cortex', Ata Plus are able to maintain a backup of important data within a tamper proof environment that can never be lost - whilst also allowing them to more easily and securely share specific information with those that they approve.

Neuroware has been working with the Securities Commission of Malaysia ('SC'), the government institution that regulates equity crowdfunding, on a pilot project using blockchains to facilitate unlisted market activity. SC are utilizing Neuroware's Cortex infrastructure in order to address the various requirements that they have.

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.

Helperbit announced the public launch of the platform for transparent donations at the event "Financing the social sector with Blockchain" held at the Italian Chamber of Deputies at Palazzo Montecitorio on 29 November 2017. The service offers the possibility to donate to non-profit organizations that create social projects involved in emergency management, providing certified financial transparency.

Helperbit helped Legambiente to raise more than 10 bitcoins (approximately €65k at time of this report) for a campaign designed to help young entrepreneurs affected by the earthquake in Central Italy. Other NGOs have subscribed to the platform, including Associazione Crocerossine d'Italia Onlus, World Arctic Fund E.V., Emergenza Sorrisi Onlus, China Biodiversity Conservation and Green Development Foundation, Swiss Re Foundation, SOS Terra Onlus, BlockchainEdu, Comitato Aperto Emergenza Homeless – Un sacco di Vita and La casa di sabbia – Onlus.

Helperbit has won prizes at different events around the world including StartupEurope Awards 2017, StartupItalia Open Summit, and first prize at the Global Social Venture Competition.

Helperbit.com currently features several international humanitarian campaigns which can receive bitcoin-denominated donations via its platform.

RSK

RSK has developed a Smart Contract platform which runs as a 'sidechain' to the Bitcoin network, interoperable via a two-way peg, and adds value and scalability to the core Bitcoin network by enabling Smart Contracts and the capacity to process a high number of transactions. RSK mainnet platform is live and RSK has announced its platform is used, among others, by the Inter-American Development Bank and an Argentinian Bitcoin NGO to promote financial inclusion in Buenos Aires. Another company building on top of the RSK platform is BitGive Foundation, a long-standing bitcoin-focused charity organization that's been used to funnel bitcoin donations to Nepalese citizens affected by a devastating earthquake in 2015, among other initiatives.

The RSK team has been on the road presenting the platform to thousands of developers, users and potential partners around the world in the past few months; latest road show throughout Asia was in association with StartupToken, another Coinsilium portfolio company.

StartupToken

Coinsilium acquired a 30% equity stake in Gibraltar-based StartupToken Limited ("StartupToken"), a provider of accelerator and advisory services to technology start-ups and companies looking to undertake TGEs, in November 2017.

The investment is aligned with Coinsilium's strategy of leveraging its first-mover advantage in the blockchain technology sector to provide advisory services to companies targeting a TGE. To date StartupToken has been on a number of global tours including three in Asia, one in Europe and one in the US.

As a result of the acquisition the two companies are able to provide an expanded range of services to advisory clients including: Consulting, Marketing & Event Services, Token Modelling, White Paper Drafting, Acceleration Services, Roadshows, Media, Training.

Terrastream

Terrastream has been formed in Gibraltar as a wholly-owned subsidiary of Coinsilium with the objective of building an Enterprise standard blockchain-powered platform offering token-based alternative funding solutions with potential applications in several industry sectors, including, but not limited to, the precious metals and natural resources extractive industries.

Coinsilium believes that the mining and exploration sector in particular offers a broad range of compelling commercial opportunities for Terrastream, particularly in relation to the provision of project level finance solutions for precious metals resource developers.

With Gibraltar's Distributed Ledger Technology ("DLT") Regulatory framework successfully launched as of 1 January 2018, the Group now awaits the publication of a more specific set of regulations relating to TGE's which is expected to be published by the Gibraltar Financial Services Commission ("GFSC") during Q2, 2018.

Funds Raised

The Company raised a total £1,275,985 (before expenses) through private placements for cash during 2017 as follows:

7 March 2017	£ 187,985	@ 1p
28 April 2017	£ 118,000	@ 2p
1 June 2017	£ 250,000	@ 2.2p
12 December 2017	£720,000	@ 9p

Events after the End of the Reporting Period

9 January 2018 - Coinsilium acquired an additional 3.5% of the fully diluted share capital of Indorse for SGD 175,000 to reach beneficial ownership of 6.5% of the fully diluted share capital of Indorse. Coinsilium Chairman Malcolm Palle to be appointed as a Board Director of Indorse.

23 January 2018 – Coinsilium announced the future establishment of a 100% Coinsilium-owned Gibraltar-based private fund for digital tokens. The value of digital tokens held and to be received by Coinsilium in respect of advisory services and investment bonus awards was equal to US$5.34 million as of the announcement date. The Group is being advised by Gibraltar blockchain specialist law firm ISOLAS on the formation and structure of the fund.

19 February 2018 - Appointment of Richard Lloyd as Mining Industry Sector Advisor to TerraStream, the Gibraltar registered wholly-owned subsidiary of Coinsilium which was formed with the objective of creating a blockchain powered platform to support the offering of Token based alternative funding solutions for companies operating in the natural resource extraction industry. More details on TerraStream TGE to be announced following the release of Gibraltar's TGE regulations.

22 March 2018 – Coinsilium exercised its option to acquire a further 3.5% of the share capital of Indorse Pte. Ltd. and increases its stake to 10%. Indorse makes significant progress as it has now moved from the development phase on Testnet to the Mainnet.

5 April 2018 - Coinsilium appointed as advisor to TrustedHealth for their token sale. TrustedHealth aims to create 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.

24 April 2018 - Coinsilium appointed as advisor to PLACTAL for their token sale. PLACTAL aims to provide a data-driven decentralised mobile game advertising platform, connecting game companies and gamers in a direct and cost-efficient manner, without the need for intermediaries.

10 May 2018 - Coinsilium appointed to advise on FANTOM's Token Generation Event. FANTOM are building the world's first Directed Acyclic Graph ('DAG') based Smart Contract platform and aims to sell tokens for a total of US$39.8m through a TGE due to start on 15 June 2018.

Going Concern

As described in the Results and Dividends section of this Directors' Report, the Group has reported an operating profit 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 2019, 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 four 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.

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.

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 30 May 2018 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 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 2017 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 2017 and of the group's profit for the year then ended; and
- the group and parent company financial statements 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 and parent company materiality was £68,925 based on gross assets and the result before tax. 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

As part of 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. As in all our audits, 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 available for sale and other financial assets	
The group has available for sale and other financial assets with a carrying value at 31 December 2017 of £1,078,312 and £117,579 respectively. These comprise equity investments in and convertible loans to 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 and agreed the convertible loans to the underlying contractual agreements. • 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 valuations, net asset values, latest fundraise price and at cost less impairment. • Post year-end review to identify transactions to support the 31 December 2017 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 £652,495 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 (eg Bitcoin, Ether). Confirmed that only tokens traded on an active market have been measured at fair value. • Post year-end review to identify transactions to support the realisation of the 31 December 2017 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 23 January 2017. 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

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

1 Westferry Circus
Canary Wharf
London E14 4HD

30 May 2018

	Note	2017 £	2016 £
Continuing Operations			
Revenue	5	**586,263**	208,627
Cost of sales		**(714)**	(38,769)
Gross Profit		**585,549**	169,858
Administration expenses	6	**(676,772)**	(430,835)
Impairments	5	**(303,576)**	(160,365)
Gain/(loss) on disposal of available for sale financial assets		**490,719**	(316,800)
Operating Profit/(Loss)		**95,920**	(738,142)
Finance income	23	**25,700**	77
Finance costs	23	**(275)**	-
Profit/(Loss) before Taxation		**121,345**	(738,065)
Income tax	24	**-**	-
Profit/(Loss) for the year		**121,345**	(738,065)
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**	118,195
Change in fair value of other current assets	14	**513,390**	-
Fair value of available-for-sale financial assets recycled through profit or loss		**-**	(276,682)
Total Comprehensive Income for the year attributable to owners of the Parent		**679,633**	(896,552)
Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & Diluted	25	**0.001**	(0.01)

The accounting policies and notes on pages 18 to 46 form part of these Financial Statements.

	Note	Group 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2017 £	Company 31 December 2016 £
Non-Current Assets					
Intangible assets	7	**6,020**	-	**1,860**	-
Property, plant and equipment	8	**907**	1,083	**-**	-
Available-for-sale financial assets	9	**1,078,312**	1,069,176	**360,905**	-
Investment in subsidiaries	10	**-**	-	**2,499,985**	3,011,984
Other financial assets	12	**117,579**	334,456	**-**	-
		1,202,818	1,404,715	**2,862,750**	3,011,984
Current Assets					
Trade and other receivables	11	**439,018**	6,274	**433,239**	1,979
Cash and cash equivalents	13	**1,396,070**	99,641	**679,400**	-
Other current assets	14	**652,495**	-	**139,105**	-
		2,487,583	105,915	**1,251,744**	1,979
Total Assets		**3,690,401**	1,510,630	**4,114,494**	3,013,963
Equity attributable to owners of the Parent					
Share capital	17	**-**	-	**-**	-
Share premium	17	**5,945,224**	4,377,396	**5,945,224**	4,377,396
Treasury shares		**(78,750)**	-	**(78,750)**	-
Share option reserve	18	**81,275**	81,275	**81,275**	81,275
Other reserves		**687,706**	129,418	**-**	-
Retained losses		**(3,032,466)**	(3,153,811)	**(1,872,644)**	(2,164,378)
Total equity attributable to owners of the Parent		**3,602,989**	1,434,278	**4,075,105**	2,294,293
Current Liabilities					
Trade and other payables	15	**87,412**	76,352	**39,389**	719,670
Total Liabilities		**87,412**	76,352	**39,389**	719,670
Total Equity and Liabilities		**3,690,401**	1,510,630	**4,114,494**	3,013,963

The Financial Statements were approved and authorised for issue by the Board of Directors on 30 May 2018 and were signed on its behalf by:

Eddy Travia
Executive Director

The accounting policies and notes on pages 18 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 2015	-	**4,377,396**	**-**	**81,275**	**287,905**	**(2,415,746)**	**2,330,830**
Loss for the year	-	-	-	-	-	(738,065)	(738,065)
Other comprehensive income							
Change in value of available-for-sale financial assets	-	-	-	-	118,195	-	118,195
Fair value of available- for-sale assets recycled through profit or loss	-	-	-	-	(276,682)	-	(276,682)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(158,487)**	**(738,065)**	**(896,552)**
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	**-**	**-**	**-**	**-**	**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	**-**	**5,945,224**	**(78,750)**	**81,275**	**687,706**	**(3,032,466)**	**3,602,989**

The accounting policies and notes on pages 18 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 2015	-	**4,377,396**	**-**	**81,275**	**(1,806,478)**	**2,652,193**
Loss for the year	-	-	-	-	(357,900)	(357,900)
Total comprehensive income for the year	**-**	-	**-**	**-**	**(357,900)**	**(357,900)**
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**

The accounting policies and notes on pages 18 to 46 form part of these Financial Statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
	Note	£	£	£	£
Cash flows from operating activities					
Profit before taxation		**121,345**	(738,065)	**291,734**	(357,900)
Adjustments for:					
Finance costs		**275**	-	**-**	-
Finance income		**(25,700)**	(77)	**-**	-
Depreciation		**318**	466	**-**	-
Non-cash revenues		**-**	(129,278)	**-**	-
Impairment of available-for-sale financial assets		**301,894**	160,365	**-**	-
Share based payments		**65,040**	-	**65,040**	-
(Profit)/Loss on disposal of available-for-sale financial assets		**(490,719)**	316,800	**-**	-
(Increase)/Decrease in trade and other receivables		**(571,849)**	52,784	**(570,365)**	31,405
Increase in trade and other payables		**11,060**	(252,777)	**(168,282)**	(269,902)
Net cash used in operating activities		**(588,336)**	(589,782)	**(381,873)**	(596,397)
Cash flows from investing activities					
Interest received		**25,700**	77	**-**	-
Purchase of intangible assets		**(6,020)**	-	**(1,860)**	-
Purchase of property, plant & equipment		**(142)**	(1,041)	**-**	-
Purchase of financial assets		**-**	(170,121)	**-**	-
Proceeds from disposal of available-for-sale financial assets		**666,418**	41,600	**-**	-
Purchase of available-for-sale financial assets		**(84,212)**	(165,115)	**(84,212)**	-
Decrease in other financial assets		**135,951**	-	**-**	-
Decrease/(increase) in loans to subsidiary undertakings		**-**	-	**-**	347,790
Net cash generated from/(used in) investing activities		**737,695**	(294,600)	**(86,072)**	347,790
Cash flows from financing activities					
Proceeds from issue of shares (net of costs)		**1,226,095**	-	**1,226,095**	-
Purchase of treasury shares		**(112,500)**	-	**(112,500)**	-
Sale of treasury shares		**33,750**	-	**33,750**	-
Finance costs		**(275)**	-	**-**	-
Net cash generated from financing activities		**1,147,070**	-	**1,147,345**	-
Net increase/(decrease) in cash and cash equivalents		**1,296,429**	884,382	**679,400**	(248,397)
Cash and cash equivalents at beginning of year		**99,641**	984,023	**-**	248,397
Cash and cash equivalents at end of year	13	**1,396,070**	99,641	**679,400**	-

The accounting policies and notes on pages 18 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 Parent 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 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 has adopted the following standards and amendments*:

Standard	
IAS 12 (amendments)	Recognition of deferred tax assets on unrealised losses
IAS 7 (amendments)	Disclosure initiative
Annual improvements	IFRS standards 2014-2016 cycle

The adoption of these 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 15	Revenue from contracts with customers
IFRS 15	Clarifications to IFRS 15 Revenue from contracts with customers
IFRS 9	Financial instruments
IFRS 16	Leases
IFRS 2 (amendments)	Classification and measurement of share based payments

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

Standard	
IFRIC 23	Uncertainty over income tax treatments
Annual improvements	IFRS standards 2015-2017 cycle

The Group intends to adopt these standards when they become effective. The introduction of IFRS 9 is being assessed by management in conjunction with the valuation of available-for-sale financial assets and digital assets although the financial effect, if any, has not yet been quantified. The impact of IFRS 15 has been assessed by management in connection with the recognition of advisory services. Although the assessment is ongoing, the work undertaken to date has not highlighted any potentially material adjustments. The impact of IFRS 16 has not yet been assessed.

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 2017.

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 31 May 2019, 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 four successful fund raises since the beginning of 2017, in conjunction with the ability to convert digital assets into cash and cash equivalents, 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. 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 estimated useful lives as follows:

Brands and trademarks	1 year

ACCOUNTING POLICIES (continued)

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.

2.9 Financial Assets

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 available-for-sale financial assets and 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.

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 2017, 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 available-for-sale. 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.

3.1 Financial Risk Factors (continued)

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 2017 the Group had unrestricted cash of £1,396,070 to settle trade and other payables of £87,412. 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).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017 and 2016:

Assets	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
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**

Assets	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Available-for-sale financial assets				
- Equity holdings	23,400	-	1,045,776	1,069,176
Total Assets at 31 December 2016	**23,400**	**-**	**1,045,776**	**1,069,176**

Movements in available-for-sale financial assets for the year ended 31 December 2017 are disclosed in Note 9 to the Financial Statements.

All available-for-sale 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 2017 are disclosed in Note 14 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.

3.2 Fair Value Estimation (continued)

The Group recognises the fair value of the available-for-sale financial assets 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 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, 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

Available for sale financial assets have a carrying value of £1,078,312 at 31 December 2017, following an impairment charge of £301,894 in the year.

The Group follows the guidance of IAS 39 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 three geographical areas; the UK, British Virgin Islands (BVI) and Hong Kong (HK). 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 £586,263 during the year ended 31 December 2017 (2016: £208,627). The Company generated revenue of £583,997 during the year ended 31 December 2017 (2016: £nil).

2017	**BVI £**	**HK £**	**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

2016	**BVI £**	**HK £**	**UK £**	**Total £**
Revenue	-	-	208,627	208,627
Cost of Sales	-	-	(38,769)	(38,769)
Administrative expenses	(1,768)	(1,254)	(427,347)	(430,369)
Finance income	-	-	77	77
Loss from operations per reportable segment	(1,768)	(1,254)	(257,412)	(260,434)
Depreciation	-	-	(466)	(466)
Impairment	(160,365)	-	-	(160,365)
Loss on disposal of available for sale assets	(316,800)	-	-	(316,800)
Loss for the year	(478,933)	(1,254)	(257,878)	(738,065)
Additions to non-current assets	339,657	-	-	339,657
Disposals of non-current assets	(400,000)	-	-	(400,000)
Reportable segment assets	1,405,013	-	105,617	1,510,630
Reportable segment liabilities	37,384	-	38,968	76,352

6. Expenses by Nature

	Group	
	2017	**2016**
	£	**£**
Directors' remuneration (note 20)	193,710	166,846
Employee salaries	22,026	83,445
Bad debts	18,300	-
Depreciation	318	466
Fees payable to Company's auditors	25,700	5,720
Rent	46,328	19,431
Marketing and promotional	69,954	23,426
Legal and professional	173,446	147,872
Other expenses including foreign exchange	126,990	(16,371)
Total administrative expenses	**676,772**	**430,835**

7. Intangible Assets

	Group	**Company**
	Trademarks	Trademarks
	£	£
Cost		
As at 31 December 2016	**-**	**-**
Additions during the year	6,020	1,860
As at 31 December 2017	**6,020**	**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 2015	**640**	**-**
Additions during the year	1,041	**-**
As at 31 December 2016	**1,681**	**-**
Additions during the year	142	-
As at 31 December 2017	**1,823**	-

8. Property, Plant and Equipment (continued)

	Group	Company
	Office Equipment	Office Equipment
	£	£
Depreciation		
As at 31 December 2015	132	-
Charge for the year	466	-
As at 31 December 2016	**598**	-
Charge for the year	318	-
As at 31 December 2017	**916**	
Net book value as at 31 December 2016	**1,083**	**-**
Net book value as at 31 December 2017	**907**	**-**

9. 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 2016	213,943	708,938	-	529,152	-	1,452,033
Additions	13,710	130,367	150,438	3,542	41,600	339,657
Disposals	-	(400,000)	-	-	-	(400,000)
Impairment	(25,440)	(7,403)	-	(389,666)	(18,200)	(440,709)
Fair value movement	-	3,485	3,211	111,499	-	118,195
At 31 December 2016	202,213	435,387	153,649	254,527	23,400	1,069,176
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.

9. Available for Sale Financial Assets (continued)

At 31 December 2017, the Group and Company owns unlisted shares in:

- Coins.sx Limited, a company incorporated in the United Kingdom, trading under the name of 'Magnr';
- Factom Inc., a company incorporated in the United States;
- Neuroware.io Inc., a company incorporated in the United States;
- Coinsentio, a company incorporated in Spain;
- Helperbit, a company incorporated in Italy;
- RSK, a company incorporated in British Virgin Islands; and
- StartupToken Limited, a company incorporated in Gibraltar

Available for sale assets are denominated in the following currencies:

	2017	**2016**
	£	**£**
UK Pound	**360,905**	-
Euro	**93,303**	170,721
US Dollar	**624,104**	898,455
Total	**1,078,312**	1,069,176

10. Investments in Subsidiary Undertakings

	Company	
	2017	**2016**
	£	**£**
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	**855,652**	**1,367,651**
Total	**2,499,985**	**3,011,984**
Loans payable to subsidiary undertakings	**-**	**(707,368)**
Total	**-**	**(707,368)**

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

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.

11. Trade and Other Receivables

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade receivables	**48,217**	-	**48,217**	-
VAT receivable	**8,623**	2,337	**4,478**	1,882
Prepayments and accrued income	**380,016**	97	**378,675**	97
Other receivables	**2,162**	3,840	**1,869**	-
	439,018	6,274	**433,239**	1,979

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	
	2017	2016	2017	2016
	£	£	£	£
GBP	**12,126**	6,274	**6,347**	1,979
US$	**426,892**	-	**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.

12. Other Financial Assets

Other financial assets consist of convertible loans issued by Coin-Dash Ltd ("Coindash") and Indorse Pte. Ltd. ("Indorse").

In May 2017, the Group invested USD$76,500 (approximately, GBP61,000) in Coin-Dash Ltd ("Coindash"), a company developing the world's first social trading platform for cryptocurrency investors, through a convertible loan agreement. Additionally, the Group received 4,716,082 Coindash crypto tokens issued by Coindash in July 2017.

In June 2017, the Group invested SG$100,000 (circa £56,100) in Indorse Pte. Ltd. ("Indorse") through a convertible loan agreement. Indorse is a Singapore-based company developing a blockchain-powered decentralised professional network. In addition, the Group received 551,342 Indorse digital tokens in August 2017.

On 2 November 2017, the Group were repaid a convertible loan of £202,315 by Rivetz Corp. This extinguished their potential interest in the company.

During the year, the convertible loan due from Minebox, totaling £51,216 was fully impaired as the Directors considered it irrecoverable.

Other financial assets are treated as loans and recoverable financial assets and are carried at fair value through profit and loss. This amount has not been discounted as Management considers that the fair value of the receivable is £117,579 (2016: £334,456).

13. Cash and Cash Equivalents

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Cash at bank	**1,396,070**	99,641	**679,400**	**-**

14. 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 31 December 2017	652,495	652,495

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: 5.26 BTC valued at £54,096

Token valuations as of 31 December 2017:
4,716,082 Coindash tokens valued at £454,368 (CDT traded on Binance)
551,342 Indorse tokens valued at £59,021 (IND traded on Liqui, HitBTC)
500,000 Gimli tokens valued at £18,744 (GIM traded on EtherDelta)
1,645,751 DomRaider tokens valued at £66,266 (DRT traded on HitBTC)

15. Trade and Other Payables

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Trade payables	**43,852**	32,021	**19,586**	11,002
Amount due to group undertakings	**-**	-	**-**	707,368
Other taxation and social security	**14,413**	-	**-**	-
Accrued expenses	**25,298**	27,673	**19,803**	1,300
Other payables	**3,849**	16,658	**-**	-
	87,412	76,352	**39,389**	719,670

16. Financial Instruments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Assets				
Loans and receivables				
Trade and other receivables	**430,395**	3,937	**428,761**	97
Cash and cash equivalents	**1,396,070**	99,641	**679,400**	-
Available for sale				
Available for sale financial assets	**1,078,312**	1,069,176	**360,905**	-
Other current assets	**652,495**	-	**139,105**	-
Assets at fair value through profit or loss				
Other financial assets	**117,579**	334,456	**-**	-
	3,674,851	1,507,210	**1,608,171**	97

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Liabilities				
Amortised cost				
Trade and other payables	**72,999**	76,352	**39,389**	719,670
	72,999	76,352	**39,389**	719,670

17. 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 2017	**71,362,603**	**-**	**4,377,396**	**4,377,396**
Issue of new shares for cash –7 March 2017	18,798,500	-	187,985	187,985
Issue of new shares for cash – 28 April 2017	5,900,000	-	118,000	118,000
Issue of new shares for cash – 1 June 2017	11,363,636	-	250,000	250,000
Investment in StartupToken – 29 November 2017	3,255,224	-	276,693	276,693
Issue of new shares for cash – 12 December 2017	8,000,000	-	720,000	720,000
Share based payments	4,063,092	-	65,040	65,040
Less: fundraising expenses	-	-	(49,890)	(49,890)
As at 31 December 2017	**122,743,055**	**-**	**5,945,224**	**5,945,224**

Treasury shares

During the year the Company acquired 5,000,000 of its own shares at 2.25p per share and subsequently sold 1,500,000 of its own shares at 2.25p per share. As at 31 December 2017, the Company holds 3,500,000 of its own shares as Treasury shares (2016: nil). The Company has the right to dispose of these Treasury shares at a future date.

18. Other Reserves

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Share option reserve	**81,275**	81,275	81,275	81,275
	81,275	81,275	81,275	81,275

19. Share Options and Warrants

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

	2017 Number	2017 Weighted average exercise price £	2016 Number	2016 Weighted average exercise price £
At 1 January	**13,439,475**	**0.18**	11,250,000	0.20
Granted	-	**-**	2,189,475	0.10
Lapsed - warrants	(2,000,000)	0.20	-	-
Outstanding at 31 December	**11,439,475**	**0.18**	13,439,475	0.18
Exercisable at 31 December	**11,439,475**	**0.18**	13,439,475	0.18

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

Expiry Date	Exercise Price in £ per share	2017	Exercise Price in £ per share	2016
24 December 2018 – Share options	0.20	7,750,000	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
24 December 2017 – Share warrants	-	-	0.20	2,000,000
24 December 2018 – Share warrants	0.20	1,500,000	0.20	1,500,000
	0.18	**11,439,475**	**0.18**	**13,439,475**

The warrant and options all vested immediately upon grant.

Range of exercise prices	Number of Shares	Weighted average remaining life (expected) years	Weighted average remaining life (contracted) years
£0.20	9,250,000	1	1
£0.12	189,475	1.25	1.25
£0.10	2,000,000	1.5	1.5

20. Employees

The Group had one full time employee and four Directors for part of the period. Details of Directors' remuneration are disclosed in Note 20.

21. Directors' Remuneration

All Directors are considered to be key management personnel.

	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**

	Short Term Employee Benefits £	Share based payments £	Total £
Executive Directors			
Cameron Parry	30,000	-	30,000
Eddy Travia	35,000	-	35,000
Hakim Mamoni	16,667	-	16,667
Pier Thomas	72,679	-	72,679
Non-Executive Directors			
Tony Sarin	6,250	-	6,250
Laurent Kssis	6,250	-	6,250
At 31 December 2016	**166,846**	**-**	**166,846**

No pension benefits are provided for any Director.

22. Auditors Remuneration

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

	Group	
	2017	**2016**
	£	**£**
Fees payable to the auditor for the audit of the Group and Company Financial Statements	**18,000**	15,000

23. Finance Income / Costs

	Group	
	2017	**2016**
	£	**£**
Finance income – bank interest and interest on convertible loan notes	**25,700**	77
Finance costs	**(275)**	-

24. Taxation

	Group	
	2017	**2016**
	£	**£**
Current tax	**-**	-
Deferred tax	**-**	-
Tax charge/(credit)	**-**	-

	Group	
	2017	**2016**
	£	**£**
Profit/(Loss) before tax	**121,345**	(738,065)
Tax on BVI profit of £499,050 @ 0%	**-**	(13,359)
Tax on UK loss of £377,705 @ 19%	**(71,764)**	-
Tax losses carried forward on which no deferred tax asset is recognised	**71,764**	13,359
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 £953,000 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.

25. Earnings per Share

Group

The calculation of the total basic earnings per share of 0.001 pence is based on the income attributable to equity owners of the parent company of £121,345 and on the weighted average number of ordinary shares of 100,881,969 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.

26. Commitments

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

	Group		Company	
	2017 **£**	**2016** **£**	**2017** **£**	**2016** **£**
Not later than one year	26,789	4,800	**-**	-
Total lease commitment	**26,789**	4,800	**-**	-

27. Related Party Transactions

Loan from Coinsilium Group Limited to Seedcoin Limited

As at 31 December 2017 there were amounts receivable outstanding from Seedcoin Limited of £554,980 (2016 - £1,344,208). No interest was charged on the loan.

Loan from 2016 Coinsilium Group Limited to Blockchain Space Ltd

As at 31 December 2017 there were amounts receivable of £24,386 (2016: £23,444) from Blockchain Space Ltd. No interest was charged on the loan.

Loan from Coinsilium Limited to Coinsilium Group Limited

As at 31 December 2017 there were amounts receivable of £272,125 (2016: £707,368) from Coinsilium Group Limited. No interest was charged on the loan.

Loan from Coinsilium Group Limited to TerraStream Limited

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

All intra-group transactions are eliminated on consolidation.

28. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

29. Events after the Reporting Date

Since the end of the reporting period:

9 January 2018 - Coinsilium acquired an additional 3.5% of the fully diluted share capital of Indorse for SGD 175,000 to reach beneficial ownership of 6.5% of the fully diluted share capital of Indorse. Coinsilium Chairman Malcolm Palle to be appointed as a Board Director of Indorse.

23 January 2018 – Coinsilium announced the future establishment of a 100% Coinsilium-owned Gibraltar-based private fund for digital tokens. The value of digital tokens held and to be received by Coinsilium in respect of advisory services and investment bonus awards was equal to US$5.34 million as of the announcement date. The Group is being advised by Gibraltar blockchain specialist law firm ISOLAS on the formation and structure of the fund.

19 February 2018 - Appointment of Richard Lloyd as Mining Industry Sector Advisor to TerraStream, the Gibraltar registered wholly-owned subsidiary of Coinsilium which was formed with the objective of creating a blockchain powered platform to support the offering of Token based alternative funding solutions for companies operating in the natural resource extraction industry. More details on TerraStream TGE to be announced following the release of Gibraltar's TGE regulations.

22 March 2018 – Coinsilium exercised its option to acquire a further 3.5% of the share capital of Indorse Pte. Ltd. and increases its stake to 10%. Indorse makes significant progress as it has now moved from the development phase on Testnet to the Mainnet.

5 April 2018 - Coinsilium appointed as advisor to TrustedHealth for their token sale. TrustedHealth aims to create 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.

24 April 2018 - Coinsilium appointed as advisor to PLACTAL for their token sale. PLACTAL aims to provide a data-driven decentralised mobile game advertising platform, connecting game companies and gamers in a direct and cost-efficient manner, without the need for intermediaries.

10 May 2018 - Coinsilium appointed to advise on FANTOM's Token Generation Event. FANTOM are building the world's first Directed Acyclic Graph ('DAG') based Smart Contract platform and aims to sell tokens for a total of US$39.8m through a TGE.