

DIGAX LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

DIGAX LIMITED
REGISTERED NUMBER: 10823029

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	4	3,783	2,545
Investments	5	1	-
CURRENT ASSETS			
Stocks	6	4,245	4,881
Debtors: amounts falling due within one year	7	80,857	13,800
Cash at bank and in hand		3,247	224,765
		<u>88,349</u>	<u>243,446</u>
Creditors: amounts falling due within one year	8	(43,589)	(38,197)
NET CURRENT ASSETS		44,760	205,249
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,544</u>	<u>207,794</u>
NET ASSETS		<u>48,544</u>	<u>207,794</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,717	1,188
Share premium account	10	599,347	49,876
Capital contribution	10	-	325,000
Profit and loss account	10	(552,520)	(168,270)
		<u>48,544</u>	<u>207,794</u>

DIGAX LIMITED
REGISTERED NUMBER: 10823029

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

B Morley
Director

Date: 18 October 2019

The notes on pages 3 to 9 form part of these financial statements.

DIGAX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

The company is a private company limited by shares and incorporated in England & Wales. The registered number is 10823029 and the registered office is 23 Austin Friars, London, EC2N 2QP and the trading address is 5 Jewry Street, London, EC3N 2EX. The Company is part of a group.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Company is only able to trade with the continuing support of the director, who has indicated that this support will not be withdrawn. On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of this support.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 TAXATION

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.7 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-
	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2.10 DEBTORS

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

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 8 (2018 - 5).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. TANGIBLE FIXED ASSETS

	Computer equipment £
COST OR VALUATION	
At 1 July 2018	3,059
Additions	2,570
At 30 June 2019	<u>5,629</u>
DEPRECIATION	
At 1 July 2018	514
Charge for the year on owned assets	1,332
At 30 June 2019	<u>1,846</u>
NET BOOK VALUE	
At 30 June 2019	<u><u>3,783</u></u>
At 30 June 2018	<u><u>2,545</u></u>

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
Additions	1
At 30 June 2019	<u><u>1</u></u>

Fixed asset investments comprise equity shares in Digax Capital Limited, a private company limited by shares.

SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Digax Capital Limited	23 Austin Friars, London, EC2N 2QP	Ordinary	100%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

6. STOCKS

	2019	2018
	£	£
Cryptocurrencies for resale	<u>4,245</u>	<u>4,881</u>

DIGAX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. DEBTORS

	2019 £	2018 £
Other debtors	16,144	13,800
Tax recoverable	<u>64,713</u>	<u>-</u>

8. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Other creditors	36,089	35,697
Accruals and deferred income	7,500	2,500
	<u>43,589</u>	<u>38,197</u>

9. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
1,717 (2018 - 1,188) Ordinary shares of £1.00 each	<u>1,717</u>	<u>1,188</u>

During the period 529 shares were issued and allotted.

10. RESERVES

Share premium account

During the year 529 (2018 - 124) shares were issued for £550,000 (2018 - £50,000) resulting in a share premium account of £599,347 (2018 - £49,876).

Profit and loss account

The profit and loss account represents cumulative profit and losses net of dividends and other adjustments.

11. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,159 (2018 - £1,511). Contributions totalling £906 (2018 - £1,161) were payable to the fund at the balance sheet date and are included in creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	46,000
	<u>-</u>	<u>46,000</u>
	<u>-</u>	<u>46,000</u>

13. RELATED PARTY TRANSACTIONS

During the year the company operated loans with the directors of the Company. The amount payable to the directors of the Company at the year end was £35,184 (2018 - £34,357). These loans are interest free and repayable on demand.

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