
GC EXCHANGE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

GC EXCHANGE LIMITED

COMPANY INFORMATION

Director	L B Holst
Registered number	11382809
Registered office	75 King William Street 2nd Floor London United Kingdom EC4N 7BF
Independent auditors	Calders (1883) LLP Chartered Accountants & and Statutory Auditors 30 Orange Street London WC2H 7HF
FCA registration number	828730

GC EXCHANGE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditors' report	5 - 7
Statement of income and retained earnings	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 22

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020**

Introduction

The company presents its strategic report for the period ended 31 August 2020.

Business review

The company is an FCA regulated entity, registration number 828730.

The company is a UK subsidiary of an international group, and risk and audit management is addressed by the board on a continuing basis at group level.

The company's results are in line with management expectations for the year.

Since the outbreak of COVID-19, the majority of staff have worked from home and the company has not experienced any interruption to its 24/7 operation at any time. On the contrary, the Director believes the company has experienced significant improvements to its overall productivity.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

The main risks identified by the Director are dealt with individually below.

Principal risks and uncertainties

Price risk

At the present time, the company is not exposed to price risk as it does not hold any financial investments.

Credit risk

The company does not currently provide services to companies as it seeks to develop and launch its services. It is not therefore currently exposed to credit risk.

Currency risk

The company is multi currency, trading mainly in Sterling, US Dollars and Euros. It is exposed to both translation and transaction foreign exchange risks. It does not currently hedge against variations in exchange rates between these currencies.

Interest rate risk

The company has no significant interest bearing debt.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable demands. It does this primarily by managing its cash balances and creditor days in an effective manner.

Financial key performance indicators

The director believe the following to be the company's financial key performance indicators:

	2020	2019
Operating loss	£417,541	£283,837
Capital and reserves	£1,185,751	£948,470

The company's results are in line with management expectations for the year.

GC EXCHANGE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020**

Other key performance indicators

As the company's relevant risks are managed at group level, the director believes that analysis using other key performance indicators for the company in isolation is not necessary or appropriate for an understanding of its development, performance or market position.

This report was approved by the board on 24 December 2020 and signed on its behalf.

L B Holst
Director

**DIRECTOR'S REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020**

The director presents his report and the financial statements for the period ended 31 August 2020.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the period under review was that of developing a digital assets and FX marketplace through its technology partners and act as a liquidity provider and venue for digital assets and FX.

Results and dividends

The loss for the period, after taxation, amounted to £273,334 (2019 - loss £283,837).

The director does not recommend the payment of a dividend.

Director

The director who served during the period was:

L B Holst

Future developments

The company has been temporarily registered under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations as a cryptoasset business until 9 July 2021.

GC EXCHANGE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020**

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Calders (1883) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 December 2020 and signed on its behalf.

L B Holst

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GC EXCHANGE LIMITED

Opinion

We have audited the financial statements of GC Exchange Limited (the 'Company') for the period ended 31 August 2020, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GC EXCHANGE LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's responsibilities statement on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GC EXCHANGE LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' report.

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Ian Rosmarin (Senior statutory auditor)

for and on behalf of

Calders (1883) LLP

Chartered Accountants

and Statutory Auditors

30 Orange Street

London

WC2H 7HF

28 December 2020

GC EXCHANGE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Turnover		101,310	-
Cost of sales		(22,105)	(66,161)
Gross profit/(loss)		79,205	(66,161)
Administrative expenses		(522,806)	(217,676)
Other operating income		26,060	-
Operating loss		(417,541)	(283,837)
Interest receivable and similar income		13,548	-
Loss before tax		(403,993)	(283,837)
Tax on loss		130,659	-
Loss after tax		(273,334)	(283,837)
Retained earnings at the beginning of the period		(283,837)	-
Loss for the period		(273,334)	(283,837)
Retained earnings at the end of the period		(557,171)	(283,837)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 22 form part of these financial statements.

GC EXCHANGE LIMITED
REGISTERED NUMBER: 11382809

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	31 August 2020 £	31 May 2019 £
Fixed assets			
Tangible assets	11	7,981	9,695
		<u>7,981</u>	<u>9,695</u>
Current assets			
Debtors: amounts falling due within one year	12	726,861	134,133
Cash at bank and in hand	13	1,463,650	850,759
		<u>2,190,511</u>	<u>984,892</u>
Creditors: amounts falling due within one year	14	(1,012,741)	(46,117)
Net current assets		1,177,770	938,775
Total assets less current liabilities		<u>1,185,751</u>	<u>948,470</u>
Net assets		<u>1,185,751</u>	<u>948,470</u>
Capital and reserves			
Called up share capital	17	1,742,922	1,232,307
Profit and loss account	18	(557,171)	(283,837)
		<u>1,185,751</u>	<u>948,470</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 December 2020.

L B Holst
Director

The notes on pages 11 to 22 form part of these financial statements.

GC EXCHANGE LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020

	31 August 2020 £	31 May 2019 £
Cash flows from operating activities		
Loss for the financial period	(273,334)	(283,837)
Adjustments for:		
Depreciation of tangible assets	2,774	735
Interest received	(13,548)	-
Taxation charge	(130,659)	-
(Increase) in debtors	(2,537)	(2,340)
(Increase) in amounts owed by groups	(459,530)	(131,793)
Increase in creditors	966,622	46,117
Net cash generated from operating activities	89,788	(371,118)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,060)	(10,430)
Interest received	13,548	-
Net cash from investing activities	12,488	(10,430)
Cash flows from financing activities		
Issue of ordinary shares	510,615	1,232,307
Net cash used in financing activities	510,615	1,232,307
Net increase in cash and cash equivalents	612,891	850,759
Cash and cash equivalents at beginning of period	850,759	-
Cash and cash equivalents at the end of period	1,463,650	850,759
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,463,650	850,759
	1,463,650	850,759

The notes on pages 11 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

1. General information

GC Exchange Limited is a private company limited by share capital, incorporated in England and Wales, registration number 11382809. The address of the registered office is 75 King William Street, 2nd Floor, London, United Kingdom, EC4N 7BF.

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 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 (see note 3).

The financial statements are for a period of 15 months. Therefore, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The following principal accounting policies have been applied:

2.2 Going concern

The director considers that it is appropriate for the accounts to be prepared on a going concern basis for this period.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 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:

Office equipment	-	25%
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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 profit or loss.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.14 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 ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily ascertainable from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key areas of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Prepayments & Accrued Expenditure

The company includes a provision for invoices which are yet to be received from and amounts paid in advance to suppliers. These provisions are estimated based upon the expected values of the invoices which are issued and services received following the period end.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Financing income	6,936	-
Monthly minimum fees	23,572	-
White label & trading subscriptions	25,925	-
Trading commission income	44,877	-
	101,310	-

5. Other operating income

	2020 £	2019 £
Government grants	26,060	-
	26,060	-

GC EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	93,152	(14,021)
Other operating lease rentals	<u>36,852</u>	<u>15,136</u>

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>4,800</u>	<u>4,800</u>

Fees payable to the Company's auditor and its associates in respect of:

All other services	5,870	1,765
	<u>5,870</u>	<u>1,765</u>

8. Employees

	2020 £	2019 £
Wages and salaries	90,409	-
Social security costs	3,254	-
Cost of defined contribution scheme	2,055	-
	<u>95,718</u>	<u>-</u>

The average monthly number of employees, including the director, during the period was as follows:

	2020 No.	2019 No.
Director	1	1
Staff	2	-
	<u>3</u>	<u>1</u>

GC EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

9. Interest receivable

	2020 £	2019 £
Other interest receivable	13,548	-
	<u>13,548</u>	<u>-</u>

10. Taxation

	2020 £	2019 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(130,659)	-
Total deferred tax	<u>(130,659)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(130,659)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

10. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(403,993)</u>	<u>(283,837)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(76,759)	(53,929)
Effects of:		
Capital allowances for period in excess of depreciation	(1,714)	9,695
Other timing differences leading to an increase (decrease) in taxation	(184,361)	-
Unrelieved tax losses carried forward	132,175	44,234
Total tax charge for the period	<u><u>(130,659)</u></u>	<u><u>-</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

GC EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

11. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 June 2019	10,430
Additions	1,060
	<hr/>
At 31 August 2020	11,490
	<hr/>
Depreciation	
At 1 June 2019	735
Charge for the period on owned assets	2,774
	<hr/>
At 31 August 2020	3,509
	<hr/>
Net book value	
At 31 August 2020	<hr/> <u>7,981</u>
<i>At 31 May 2019</i>	<hr/> <u>9,695</u>

GC EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

12. Debtors

	31 August 2020 £	31 May 2019 £
Amounts owed by group undertakings	591,325	131,793
Prepayments and accrued income	4,877	2,340
Deferred taxation	130,659	-
	<u>726,861</u>	<u>134,133</u>

13. Cash and cash equivalents

	31 August 2020 £	31 May 2019 £
Cash at bank and in hand	1,463,650	850,759
	<u>1,463,650</u>	<u>850,759</u>

14. Creditors: Amounts falling due within one year

	31 August 2020 £	31 May 2019 £
Trade creditors	16,166	25,349
Other creditors	989,548	3,089
Accruals and deferred income	7,027	17,679
	<u>1,012,741</u>	<u>46,117</u>

GC EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

15. Financial instruments

	31 August 2020 £	31 May 2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,463,650</u>	<u>850,759</u>

Financial assets measured at fair value through profit or loss comprise amounts owed by group undertakings, other debtors and cash at bank and in hand.

16. Deferred taxation

	2020 £
Charged to profit or loss	130,659
At end of year	<u>130,659</u>

The deferred tax asset is made up as follows:

	31 August 2020 £	31 May 2019 £
Accelerated capital allowances	(1,516)	-
Tax losses carried forward	132,175	-
	<u>130,659</u>	<u>-</u>

17. Share capital

	31 August 2020 £	31 May 2019 £
Allotted, called up and fully paid		
1,742,922 (2019 - 1,232,307) Ordinary shares of £1.00 each	<u>1,742,922</u>	<u>1,232,307</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

17. Share capital (continued)

During the period the company issued additional share capital. On 24th June 2020 319,580 Ordinary £1 shares were issued and on 31st July 2020 a further 191,035 Ordinary £1 shares were issued. All shares were issued at par.

Throughout the 4th quarter of 2020, a further \$950,000 (c. £715,920) has been raised by the company. The company intends to convert this investment to share capital in 2020.

18. Reserves

Profit and loss account

The profit and loss reserve is not distributable.

19. 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 £2,055 (2019 - £0). Contributions totalling £481 (2019 - £0) were payable to the fund at the reporting date and are included in creditors.

20. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

21. Related party transactions

The company, under paragraph 3(c) of FRS 8, is exempt from disclosing the details of transactions with other group companies as it is a wholly owned subsidiary.

22. Controlling party

The company is a wholly owned subsidiary of GC Holding GmbH, a company incorporated in Switzerland.

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.