
GLOBAL ADVISORS (JERSEY) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

GLOBAL ADVISORS (JERSEY) LIMITED

COMPANY INFORMATION

DIRECTORS	Dwayne Drexler (non-executive director) Daniel Masters Russell Newton Jean-Marie Mognetti Simon Harman (appointed 13 March 2016)
COMPANY SECRETARY	First Island Secretaries Limited
REGISTERED NUMBER	102184
REGISTERED OFFICE	First Island House Peter Street St Helier Jersey JE4 8SG
INDEPENDENT AUDITOR	RSM Channel Islands (Audit) Limited PO Box 179 40 Esplanade St Helier Jersey JE4 9RJ

GLOBAL ADVISORS (JERSEY) LIMITED

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GLOBAL ADVISORS (JERSEY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws and regulations.

The Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm the statements comply with these requirements.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of investment management and advisory services.

RESULTS

The deficit of the year after taxation amounted to £159,135 (2015: deficit £286,135). The directors do not recommend payment of a dividend (2015:£nil).

DIRECTOR

The directors who served during the year were:

Dwayne Drexler (non-executive director)
Daniel Masters
Russell Newton
Jean-Marie Mognetti
Simon Harman (appointed 13 March 2016)

COMPANY SECRETARY

First Island Secretaries Limited was Company Secretary throughout the year.

GLOBAL ADVISORS (JERSEY) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

GOING CONCERN

The company has net assets of £1,212,195 (2015 - £438,639) at the reporting date. The directors have prepared these financial statements on a going concern basis on the understanding that the principal shareholders will continue to provide on-going support for the foreseeable future.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director 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 auditor is aware of that information.

POST BALANCE SHEET EVENTS

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

AUDITOR

RSM Channel Islands (Audit) Limited will be deemed to have been reappointed as auditor.

This report was approved by the board on 26/04/17 and signed on its behalf.



Russell Newton
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL ADVISORS (JERSEY) LIMITED

We have audited the financial statements of Global Advisors (Jersey) Limited for the year ended 31 December 2016, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes 1 to 19. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the company's shareholders as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements;

- give a true and fair view of the state of affairs of the company as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the Companies (Jersey) Law 1991.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

GLOBAL ADVISORS (JERSEY) LIMITED – continued

Opinion on matters prescribed by the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007 and the Financial Services (Funds Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In our opinion;

- the financial statements have been properly prepared in accordance with the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007 and the Financial Services (Funds Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007; and
- the Directors' report has been properly prepared in accordance with Article 6 of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 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
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read 'Philip J Crosby', is written over a circular stamp or seal.

**Philip J Crosby
For & on behalf of
RSM Channel Islands (Audit) Limited
Chartered Accountants
Jersey, C.I.**

Date 27 Apr 2017

GLOBAL ADVISORS (JERSEY) LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	4	400,096	215,681
GROSS PROFIT		400,096	215,681
Doubtful debt provision in respect of GABI settled expenditure		(83,050)	(123,590)
Administrative expenses		(477,959)	(380,272)
Other operating income		1,736	2,000
OPERATING LOSS		(159,177)	(286,181)
Interest receivable and similar income	9	42	46
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(159,135)	(286,135)
Taxation on loss on ordinary activities		-	-
LOSS FOR THE YEAR		(159,135)	(286,135)

The notes on pages 10 to 20 form part of these financial statements. All amounts relate to continuing operations..

GLOBAL ADVISORS (JERSEY) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Loss for the financial year		(159,135)	(286,135)
Other comprehensive income			
Other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(159,135)</u>	<u>(286,135)</u>

The notes on pages 10 to 20 form part of these financial statements.

GLOBAL ADVISORS (JERSEY) LIMITED
REGISTERED NUMBER: 102184

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	10		1		70
Investments	11		435,683		10,001
			435,684		10,071
Current assets					
Debtors: Amounts falling due within one year	12	778,388		341,448	
Cash at bank and in hand		134,517		136,129	
		912,905		477,577	
Creditors: Amounts falling due within one year	13	(136,394)		(49,009)	
Net current assets			776,511		428,568
Total assets less current liabilities			1,212,195		438,639
Net assets			1,212,195		438,639
Capital and reserves					
Called up share capital	14		2,366,006		1,820,452
Share premium account			484,000		96,863
Profit and loss account			(1,637,811)		(1,478,676)
			1,212,195		438,639

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


Simon Harman

26/04/17

Director

The notes on pages 10 to 20 form part of these financial statements.

GLOBAL ADVISORS (JERSEY) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2016	1,820,452	96,863	(1,478,676)	438,639
Comprehensive loss for the year				
Loss for the year	-	-	(159,135)	(159,135)
Total comprehensive loss for the year	-	-	(159,135)	(159,135)
Shares issued during the year	553,054	387,137	-	940,191
Shares redeemed during the year	(7,500)	-	-	(7,500)
TOTAL TRANSACTIONS WITH OWNERS	545,554	387,137	-	932,691
AT 31 DECEMBER 2016	2,366,006	484,000	(1,637,811)	1,212,195

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2015	1,550,753	96,863	(1,192,541)	455,075
Comprehensive loss for the year				
Loss for the year	-	-	(286,135)	(286,135)
Total comprehensive loss for the year	-	-	(286,135)	(286,135)
Shares issued during the year	269,699	-	-	269,699
TOTAL TRANSACTIONS WITH OWNERS	269,699	-	-	269,699
AT 31 DECEMBER 2015	1,820,452	96,863	(1,478,676)	438,639

The notes on pages 10 to 20 form part of these financial statements.

GLOBAL ADVISORS (JERSEY) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(159,135)	(286,135)
ADJUSTMENTS FOR:		
Depreciation of tangibles	69	206
Profit on disposal of tangibles	(1,736)	(2,000)
Interest received	(42)	(46)
(Increase) in debtors	(154,291)	(170,992)
(Decrease) in creditors	2,385	(10,692)
Equity settled share based transactions	-	75,000
Net cash used in operating activities	(312,750)	(394,659)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of tangible fixed assets	1,736	2,000
Purchase of unlisted and other investments	(354,304)	(5,001)
Interest received	42	46
Net cash from investing activities	(352,526)	(2,955)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	663,664	179,264
Net cash used in financing activities	663,664	179,264
Net (decrease) in cash and cash equivalents	(1,612)	(218,350)
Cash and cash equivalents at beginning of year	136,129	354,479
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	134,517	136,129
Cash and cash equivalents:- comprise of cash at bank and in hand	134,517	136,129
	134,517	136,129

The notes on pages 10 to 20 form part of these financial statements.

GLOBAL ADVISORS (JERSEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The company operates in Jersey, Channel Islands. The company provides investment management and advisory services. The company is incorporated and domiciled in Jersey. The trading address of the company is 3 The Forum, Grenville Street, Jersey JE2 4UF. The financial statements contain information about Global Advisors (Jersey) Limited as an individual undertaking. The company opted to use the exemption under FRS 102 9.3 not to consolidate due to the size of the group.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies (Jersey) Law 1991.

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 following principal accounting policies have been applied:

2.2 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

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.

GLOBAL ADVISORS (JERSEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Leasehold improvements	- 3 years
Fixtures and fittings	- 3 years
Office equipment	- 3 years

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 income statement.

2.5 Cash at bank

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.

GLOBAL ADVISORS (JERSEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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 the Income Statement.

2.7 Investments

Investments are measured at cost less accumulated impairment. Further detail on judgment used by directors can be found in note 3.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

The total lease expense for the year totals £21,175. Future minimum payment on the current lease for the next 1 month is £1,790.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Interest Income

Interest income is recognised in the Income Statement using the effective interest method.

2.12 Taxation

No provision has been made for Jersey Income Tax as the company has no chargeable profits for the year due to the incidence of trading losses.

GLOBAL ADVISORS (JERSEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Going Concern

The directors have prepared these financial statements on a going concern basis on the understanding that the principal shareholders will continue to provide on-going support for the foreseeable future.

2.14 Share Based Payments

Share based payments are measured at the fair value of the goods or services received by the company. The directors consider that the fair value of the shares issued are not materially different to their nominal value and match the value of the services received.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements 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.

(i) Useful economic lives of tangible fixed assets: The annual depreciation charges of tangible fixed assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual value are reassessed annually. They are amended when necessary to reflect current estimates.

(ii) Impairment of debtors: The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of the debtor and historical experience.

(iii) Impairment of investments: Investments are maintained at historical cost. In respect of Glint Limited, Gradbase Limited and Aventus Systems Limited, the directors believe there is no capital growth at the reporting date as the investments represents new ventures which have yet to generate income. In respect of Global Advisors Bitcoin Investment ("GABI") the nominal share provides the company with ownership and management rights but does not provide the company with access to any economic benefit. Consequently the Directors have assessed the share held in GABI to be £nil and consider that the company does not exercise control over GABI.

In respect of XBT Partner AB, the directors believe that it is appropriate for the investment to be valued at cost, there having been no indications of a decline in the residual value of the investment since its acquisition.

(iv) Classification of redeemable shares: Redeemable shares are considered to be equity by the directors as shareholders have the right to convert to ordinary shares and have the right to vote under certain conditions.

(v) Allocation of Expenditure to XBT Group: The directors have assessed a proportion of expenditure during the year is reasonably rechargeable to XBT Partner AB, due to marketing activities and shared directors' time during the year.

(vi) Classification of associates, subsidiaries and unlisted investment: The directors have deemed investments with a 20% or more equity holding to be associates, 50% or more to be subsidiaries and finally investments below the associate threshold to be deemed as investments.

GLOBAL ADVISORS (JERSEY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. TURNOVER

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

	2016	2015
	£	£
Investment Manager Performance fees	264,956	140,071
Investment Management fees	135,140	73,766
Other Income	-	1,844
	<u>400,096</u>	<u>215,681</u>

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible fixed assets	69	206
Fees payable to the Company's auditor for the audit of the company's annual accounts	11,000	7,000
Exchange differences	<u>(2,118)</u>	<u>7</u>

GLOBAL ADVISORS (JERSEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6. AUDITOR'S REMUNERATION

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11,000	7,000
	<u>11,000</u>	<u>7,000</u>
Other services relating to taxation	765	1,600
JFSC declarations	1,000	1,000
	<u>1,765</u>	<u>2,600</u>

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	239,454	148,849
	<u>239,454</u>	<u>148,849</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
	<u>4</u>	<u>4</u>

8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	210,484	97,930
	<u>210,484</u>	<u>97,930</u>

Directors' emoluments does not include benefits in kind received by the directors which in 2016 totalled £28,493 (2015: £17,700).

GLOBAL ADVISORS (JERSEY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. INTEREST RECEIVABLE

	2016 £	2015 £
Other interest receivable	42	46
	42	46
	42	46

10. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Office equipment £	Total £
COST				
At 1 January 2016	14,662	22,179	45,144	81,985
Disposals	(14,662)	(5,000)	(2,590)	(22,252)
At 31 December 2016	-	17,179	42,554	59,733
DEPRECIATION				
At 1 January 2016	14,662	22,178	45,075	81,915
Charge for period on owned assets	-	-	69	69
Disposals	(14,662)	(5,000)	(2,590)	(22,252)
At 31 December 2016	-	17,178	42,554	59,732
NET BOOK VALUE				
At 31 December 2016	-	1	-	1
<i>At 31 December 2015</i>	-	1	69	70

GLOBAL ADVISORS (JERSEY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. INVESTMENTS

	Investments in subsidiary companies £	Investments in associates £	Listed investments £	Total £
COST				
At 1 January 2016	-	10,000	1	10,001
Additions	315,682	110,000	-	425,682
At 31 December 2016	<u>315,682</u>	<u>120,000</u>	<u>1</u>	<u>435,683</u>
NET BOOK VALUE				
At 31 December 2016	<u>315,682</u>	<u>120,000</u>	<u>1</u>	<u>435,683</u>
<i>At 31 December 2015</i>	<u>-</u>	<u>10,000</u>	<u>1</u>	<u>10,001</u>

Additions in subsidiaries for the year comprises the purchase of 90% of XBT Partner AB (Publ) for £315,682 a listed entity based in Sweden which issues non-equity linked certificates.

Additions in associates for the year comprises a further investment in Glint Limited for £15,000, representing a total 22% shareholding; an investment of £25,000 in Gradbase Limited, representing a 25% shareholding; and an investment in Aventus Systems Limited, of £70,000 representing a 22.5% shareholding.

Glint Limited is a Jersey based company specialising in marketing events applications via social media. Gradbase Limited is a UK based company engineering graduate verification technology. Aventus System Limited is a blockchain-base infrastructure managing digital assets based in the UK.

Unlisted investments represents 1 nominal share in the Global Advisors Bitcoin Investment Fund PLC ('GABI'). The nominal share provides the company with ownership and management rights over GABI but does not provide the company with access to any economic benefit arising in GABI.

GLOBAL ADVISORS (JERSEY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. DEBTORS

	2016 £	2015 £
Due within one year		
Trade debtors	332,127	168,133
Other debtors	429,126	160,099
Prepayments and sundry debtors	15,906	12,689
Tax recoverable	1,229	527
	<u>778,388</u>	<u>341,448</u>

Trade debtors primarily consist of amounts due from XBT Partner AB and GABI. Other debtors consist of £429,126 unpaid share capital. Included in the trade debtors is £48,080 owed by GABI for expenses paid during the year (see note 17 for further detail).

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	26,337	19,792
Amounts owed to group undertakings	85,065	65
Taxation and social security	13,104	19,622
Accruals and deferred income	11,888	9,530
	<u>136,394</u>	<u>49,009</u>

GLOBAL ADVISORS (JERSEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,268,589 Ordinary 'A' shares of £1 each	1,268,589	1,268,589
276,527 Redeemable 'Z' shares of £1 each	276,527	-
783,528 Ordinary 'B' shares of £0.50 each	391,764	391,764
	<u>1,936,880</u>	<u>1,660,353</u>
Allotted, called up and partly paid		
276,527 Ordinary shares of £1 each	276,527	-
152,599 (2015 - 160,099) Redeemable shares of £1 each	152,599	160,099
	<u>429,126</u>	<u>160,099</u>

Allotted, called up and unpaid shares include 152,599 (2015 - 160,099), redeemable shares of £1 each. During the year the company issued 276,527 redeemable shares for a consideration of £663,664 and redeemed 7,500 £1 redeemable shares.

During the year, the company issued 276,527 £1 ordinary 'A' shares, no cash consideration was paid for these. Ordinary shares of £0.50 and £1 confer upon the holder equal rights, including the right to receive dividends, and on winding-up the return of amounts paid up on such shares, but no further payment. Ordinary shares shall confer on the holders to vote and attend General Meetings of the board of directors

Redeemable shares confer on the holders the right to receive dividends and on a winding-up the return of amounts paid up on such shares, but no further payment. The company may issue, allot and redeem shares at any time as the directors determine. On redemption, the company returns the amount paid up. Redeemable shares issued and allotted are accounted for as equity. At the directors' discretion Redeemable Z shares confer on the holders the right to have 50% of surplus cash flow and the ability to serve notice to convert their Redeemable Z holding to an Ordinary A share.

15. CONTINGENT ASSETS AND LIABILITIES

The company has settled expenditure on behalf of Global Advisors Bitcoin Investment Fund PLC ('GABI'), a Jersey company managed by the company. While the company is entitled to reimbursement of their expenditure, any such reimbursement is subject to future events whose realisation and timing are uncertain. Consequently, the directors have recognised a provision of £366,483 (being £83,050 for the current year and £283,433 for prior years) in respect of amounts whose recoverability cannot be measured with sufficient certainty.

The company has entered into an agreement whereby it has guaranteed Bitcoin Tracker Securities as issued by its subsidiary XBT provider AB (Publ).

GLOBAL ADVISORS (JERSEY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. RESERVES

Share premium is a reserve which records the movement above the nominal value received for shares issued by the company.

The profit and loss account is a reserve which shows the cumulative net gains and losses recognised in the Statement of Comprehensive Income.

17. RELATED PARTY TRANSACTIONS

Mr Daniel Masters and Mr Jean-Marie Mognetti, directors of the company are also directors of Global Advisors Bitcoin Investment Fund PLC ('GABI') a Jersey company for which the company settled expenditure of £182,515 during the year (2015: £156,933). Of the current year amount, £48,080 is contained within trade debtors, £51,385 was received during the year and the remaining £83,050 is considered a contingent asset.

During the year, the company also received £290,096 (2015: £149,815) in performance and management fees from GABI, with a year end debtor of £156,831 (2015: £134,655).

Mr Russell Newton, a director of the company is also a director of Glint Limited, of which the company holds a 22% interest, with an amount still due of £15,000 at year end.

Mr Daniel Masters is also a director of Gradbase Limited, of which the company holds 25%.

During the year, the company received £110,000 (2015: £nil) in management and administrative fees from XBT Partner AB (Publ), with a debtor at the end of the year of £45,000.

18. POST BALANCE SHEET EVENTS

On 31 January 2017, the company underwent a restructure whereby the entirety of its shareholding was transferred to Global Advisors (Holdings) Limited from existing shareholders. Existing company shareholders became shareholders of Global Advisors (Holdings) Limited, in the same proportion as currently held in the company.

In April 2017 the investment in XBT Partner AB was transferred to Global Advisors (Holding) Limited.

19. CONTROLLING PARTIES

The ultimate controlling parties of the company as considered to be Mr Russell Newton and Mr Daniel Masters, by virtue of their shareholding both direct and indirect via the company's immediate parent Global Advisors (Holdings) Limited.

GLOBAL ADVISORS (JERSEY) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Turnover	400,096	215,681
GROSS PROFIT	400,096	215,681
Other operating income	1,736	2,000
	401,832	217,681
LESS: OVERHEADS		
Doubtful debt in respect of GABI settled expenditure	(83,050)	(123,590)
Administration expenses	(477,959)	(380,272)
OPERATING LOSS	(159,177)	(286,181)
Interest receivable	42	46
LOSS FOR THE YEAR	(159,135)	(286,135)
OTHER OPERATING INCOME		
	2016 £	2015 £
Other operating income		
Profit on disposal	1,736	2,000
	1,736	2,000
DOUBTFUL DEBT PROVISION IN RESPECT OF GABI SETTLED EXPENDITURE		
	2016 £	2015 £
Doubtful debt provision in respect of GABI settled expenditure	83,050	123,590
	83,050	123,590

GLOBAL ADVISORS (JERSEY) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

ADMINISTRATION EXPENSES

	2016 £	2015 £
Directors salaries	210,484	97,930
Staff salaries	28,970	50,919
Hotels and travel	37,039	3,467
Printing and stationery	2,475	3,394
Telephone and fax	35,662	12,481
Advertising and promotion	28,431	10,095
Legal and professional	82,134	64,751
Auditors' remuneration	11,000	7,000
Difference on foreign exchange	(2,118)	7
Client Entertaining	1,606	-
Conferences and Training	210	-
Rent - operating lease	21,175	24,000
Rates	160	5,797
Service charges	1,665	1,776
Insurances	16,463	26,648
Depreciation	69	206
Recruitment Expenses	-	7,200
Miscellaneous expenses	1,811	735
Premises Expenses	199	55
Doubtful debt provision in respect of trade debtors	524	63,811
	<u>477,959</u>	<u>380,272</u>