

Registered number: 09095835

CROWDCUBE CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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CROWDCUBE CAPITAL LIMITED

CONTENTS

	Page (s)
Company Information	1
Directors' Report	2 - 3
Independent Auditors' Report to the members of Crowdcube Capital Limited	4 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 13

CROWDCUBE CAPITAL LIMITED

COMPANY INFORMATION

Directors

L J Lang
D M Westlake

Registered number

09095835

Registered office

The Innovation Centre University of Exeter
Rennes Drive
Exeter
Devon
EX4 4RN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

CROWDCUBE CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their annual report and the audited financial statements of Crowdcube Capital Limited (the "company") for the year ended 30 September 2016.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

L J Lang
D M Westlake
D S Nicol (resigned 16 January 2016)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 a United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and applicable law). 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 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 judgements 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

CROWDCUBE CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf by:

Handwritten signature of D M Westlake, dated 23/1/17.

D M Westlake
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROWDCUBE CAPITAL LIMITED

Report on the financial statements

Our opinion

In our opinion, Crowdcube Capital Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 September 2016;
- the Statement of Comprehensive Income for the year ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

Opinions on matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

CROWDCUBE CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROWDCUBE CAPITAL LIMITED

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

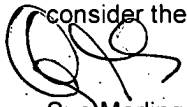
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.


Sue Morling (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 24/11/17

CROWDCUBE CAPITAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

		12 months ended 30 September 2016 £	15 months ended 30 September 2015 £
	Note		
Turnover	4	3,652,798	2,707,274
Gross profit		3,652,798	2,707,274
Administrative expenses		(3,652,895)	(2,707,383)
Loss on ordinary activities before taxation		(97)	(109)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year/period		(97)	(109)
Total comprehensive expense for the financial year/period		(97)	(109)

All results derive from continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

CROWDCUBE CAPITAL LIMITED
REGISTERED NUMBER: 09095835

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	2016 £	2016 £	2015 £	2015 £
Current assets					
Debtors	8	183,177		110,577	
Cash at bank and in hand	9	1,830,082		105,763	
		<u>2,013,259</u>		<u>216,340</u>	
Creditors: amounts falling due within one year	10	(183,465)		(116,449)	
Net current assets			<u>1,829,794</u>		<u>99,891</u>
Total assets less current liabilities			<u>1,829,794</u>		<u>99,891</u>
Capital and reserves					
Called up share capital	11	1,830,000		100,000	
Profit and loss account	12	(206)		(109)	
Total shareholders' funds			<u>1,829,794</u>		<u>99,891</u>

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

 23/1/17

D M Westlake

Director

The notes on pages 9 to 13 form part of these financial statements.

CROWDCUBE CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 October 2015	100,000	(109)	99,891
Comprehensive expense for the financial year			
Loss for the financial year	-	(97)	(97)
Total comprehensive expense for the financial year	-	(97)	(97)
Contributions by and distributions to owners			
Shares issued during the year	1,730,000	-	1,730,000
Total transactions with owners	1,730,000	-	1,730,000
At 30 September 2016	1,830,000	(206)	1,829,794

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
On incorporation	-	-	-
Comprehensive expense for the financial period			
Loss for the financial period	-	(109)	(109)
Total comprehensive income for the financial period	-	(109)	(109)
Contributions by and distributions to owners			
Shares issued during the period	100,000	-	100,000
Total transactions with owners	100,000	-	100,000
At 30 September 2015	100,000	(109)	99,891

The notes on pages 9 to 13 form part of these financial statements.

CROWDCUBE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. General information

Crowdcube Capital Limited's (the "Company") principal activity is the provision of a crowdfunding platform.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: The Innovation Centre, University of Exeter, Rennes Drive, Exeter, Devon, EX4 4RN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 14.

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).

Pillar 3 disclosure

Under the requirements of Pillar 3, the company is required to disclose regulatory capital information, and has done so by making disclosure available on the company's website at www.crowdcube.com/pg/pillar-3-disclosure-1762

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Crowdcube Limited as at 30 September 2016 and these financial statements may be obtained from The Innovation Centre, University of Exeter, Rennes Drive, Exeter, Devon, EX4 4RN.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2. Accounting policies (continued)

2.3 Turnover

Turnover is comprised of fees for the provision of the crowdfunding platform.

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

For the company turnover is recognised once the funding requirement of a raise has been achieved, following a 7 day cool off period, in which investors can withdraw. Since the revenue earned is contingent upon a successful raise, the recognition of turnover is deferred until this point.

2.4 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.

2.5 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.

2.6 Financial instruments

The Company only enters into basic financial instruments 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on

CROWDCUBE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Accounting policies (continued)

2.6 Financial instruments (continued)

a net basis or to realise the asset and settle the liability simultaneously.

2.7 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.

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

The Directors do not consider there to be any critical judgements in applying the entity's accounting policies in either the current or prior period, or any estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities.

4. Turnover

The whole of the turnover is attributable to commission and other fees generated by its investment crowdfunding platform.

All turnover arose within the United Kingdom.

5. Auditors' remuneration

Auditors remuneration is paid on the company's behalf by Crowdcube Limited, with no recharge being made to this company (as in 2015). The total auditors remuneration borne by group companies on behalf of the company are £5,000 (2015: £Nil).

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration for their services to the company (2015: £Nil).

7. Tax on loss on ordinary activities

	12 months ended 30 September 2016 £	15 months ended 30 September 2015 £
Current tax on losses for the year/period	-	-

CROWDCUBE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

7. Tax on loss on ordinary activities (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

	12 months ended 30 September 2016 £	15 months ended 30 September 2015 £
Loss on ordinary activities before taxation	(97)	(109)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	(19)	(22)
Effects of:		
Unrelieved tax losses carried forward	19	22
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Debtors

	2016 £	2015 £
Trade debtors	22,827	110,577
Prepayments and accrued income	160,350	-
	183,177	110,577

9. Cash at bank and in hand

	2016 £	2015 £
Cash at bank and in hand	1,830,082	105,763

CROWDCUBE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	22,827	-
Amounts owed to group undertakings	288	116,449
Accruals and deferred income	160,350	-
	<u>183,465</u>	<u>116,449</u>

11. Called up share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,830,000 (2015: 100,000) Ordinary shares of £1 each	<u>1,830,000</u>	<u>100,000</u>

During the year 1,730,000 £1 ordinary shares were issued for a total consideration of £1,730,000 which was satisfied in cash.

12. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

13. Controlling party

The Company's immediate and ultimate parent is Crowdcube Limited, a company registered in England and Wales. Crowdcube Limited heads up the smallest and largest group for which consolidated financial statements are drawn up. Copies of the group financial statements of Crowdcube Limited are available from The Innovation Centre, University of Exeter, Rennes Drive, Exeter, Devon, EX4 4RN.

There was no ultimate controlling party throughout the year.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.