

Company Registration No. 06848016 (England and Wales)

SEEDRS LIMITED

**GROUP DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**



SEEDRS LIMITED

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SEEDRS LIMITED
COMPANY INFORMATION

Directors	I S Black C Cadeira Da Silva J A Lynn S Rimmer A Barbosa T C Levene J D Kelisky (appointed 11 July 2017)
Secretary	K Kerrigan
Company number	06848016
Registered Office	Churchill House 142-146 Old Street London EC1V 9BW
Auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

SEEDRS LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report on the Group for the year ended 31 December 2016.

Review of the business

The Group's principal activity is to provide an online platform for investing in early stage and growth businesses. The parent Company's activities are regulated by the Financial Conduct Authority.

The Group's turnover is generated primarily from fees paid by businesses that raise investment on the platform. There is also the potential for additional carry fees to be generated, which are contingent on the success of those businesses. However, as these carry fees are presently difficult to quantify, they have not been included as turnover (unless actually realised).

Results and performance

The results of the Group for the year, as set out on page 8, show a loss after tax of £3,815,422 (2015: £1,582,567). The shareholders' funds of the Group total £7,417,440 (2015: £11,231,694). The Group is in its growth phase and the directors consider the results in line with their expectations and business plan.

The performance of the Group during 2016 has been encouraging, with the platform achieving record levels of investment and fundraising activity. Increased expenditure has been due to continued investment in the Group's core business in addition to the research and development of new products and features.

Business environment

Online investment in alternative asset classes is growing as an industry and continues to receive attention and support from the media, public and government. Whilst there is competition, the Group is confident that its commitment to developing a strong brand, an extensive customer base and a quality service will mean it remains a market leader.

Analysis of key performance indicators

The Board monitors the progress of the Group by reference to the following KPIs:

	2016	2015
Gross profit for the year	£1,063,994	£784,310
Loss for the year	£3,957,238	£1,615,685


Principal risks and uncertainties

The principal risks and uncertainties faced by the Group include: regulatory change, financial fraud, performance of the successfully funded companies and loss of reputation. Risk management is addressed through a framework of policies, procedures and other internal controls. Regulatory compliance and the maintenance of high ethical standards are priorities for the Group.

Future developments

The Group aims to grow significantly over the coming year, increasing its revenues and establishing efficiencies in its cost base. The Group also expects to conduct a further round of equity fundraising in order to support its growth.

On behalf of the Board


J. D. Keifsky
Director

14/9/17

SEEDRS LIMITED
GROUP DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Registered No. 06848016

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

Directors

The following directors have held office since 1 January 2016:

I S Black
C Cadeira Da Silva
J A Lynn
S Rimmer
A Barbosa
T C Levene
J D Kelisky (appointed 11 July 2017)

Proposed dividend

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2016 (2015: £0).

Research and development

Details of research and development are provided in the strategic report on page 4.

Future developments

Details of future developments are provided in the strategic report on page 4.

Auditor

KPMG LLP was re-appointed auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Going Concern

The Company is engaged in a fundraising process and, based on its status as of the date of these financial statements, the directors are confident that the process will be completed in a satisfactory manner. As a result, the directors have prepared the financial statements on a going concern basis.

SEEDRS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the Group and parent Company financial statements in accordance UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company, the loss of the Group for that period, and of the cash flows for the Group for the period.

In preparing these financial statements, the directors are required to:

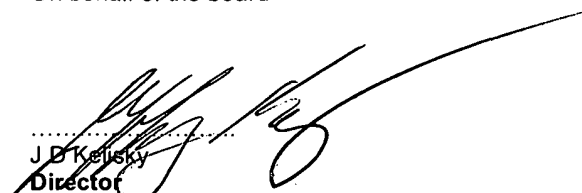
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Group and the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board


.....
J D Kelisky
Director

14/3/17
.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEEDRS LIMITED

We have audited the financial statements of Seedrs Limited for the year ended 31 December 2016 set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2016 and of Group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year is consistent with the financial statements.

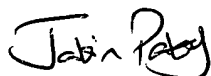
Based on solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which are required to report by exception

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

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



Jatin Patel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Date: 15/9/17

SEEDRS LIMITED

CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	2	1,081,796	832,853
Cost of Sales		<u>(17,802)</u>	<u>(48,543)</u>
Gross Profit		1,063,994	784,310
Administrative expenses		<u>(5,199,809)</u>	<u>(2,532,918)</u>
Operating loss	3	(4,135,815)	(1,748,608)
Other interest receivable and similar income	4	49,154	34,887
Loss of ordinary activities before taxation		(4,086,661)	(1,713,721)
Tax on loss on ordinary activities	5	<u>129,423</u>	<u>98,036</u>
Loss for the year		<u>(3,957,238)</u>	<u>(1,615,685)</u>
Other comprehensive income		141,816	33,118
Total comprehensive income		<u>(3,815,422)</u>	<u>(1,582,567)</u>

All amounts are from continuing operations

Notes on pages 14 to 24 form part of the financial statements

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called-up share capital	Share Premium	Capital Redemption Reserve	Non- Distributable Reserves	Profit and loss account	Total Equity
	£	£	£	£	£	£
At 1 January 2015	2,693	4,957,425	-	-	(2,126,786)	2,833,332
Profit/(Loss) for the year	-	-	-	-	(1,615,685)	(1,615,685)
Other comprehensive income	-	-	-	-	33,118	33,118
Total comprehensive income for the year	-	-	-	-	(1,582,567)	(1,582,567)
New shares issued	2,159	10,300,998	-	-	-	10,303,157
Share issue costs	-	(389,955)	-	-	-	(389,955)
Share buy back	-	-	-	-	-	-
Unissued shares	-	-	-	67,727	-	67,727
At 31 December 2015	4,852	14,868,468	-	67,727	(3,709,353)	11,231,694
Profit/(Loss) for the year	-	-	-	-	(3,957,238)	(3,957,238)
Other comprehensive income	-	-	-	-	141,816	141,816
Total comprehensive income for the year	-	-	-	-	(3,815,422)	(3,815,422)
New shares issued	-	1,168	-	-	-	1,168
Share issue costs	-	-	-	-	-	-
Share buy back	(31)	-	31	-	-	-
Unissued shares	14	67,713	-	(67,727)	-	-
At 31 December 2016	4,835	14,937,349	31	-	(7,524,775)	7,417,440

Notes on pages 14 to 24 form part of the financial statements

SEEDRS LIMITED

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called-up share capital	Share Premium	Capital Redemption Reserve	Non- Distributable Reserves	Profit and loss account	Total Equity
	£	£	£	£	£	£
At 1 January 2015	2,693	4,957,425	-	-	(2,052,404)	2,907,714
Profit/(Loss) for the year	-	-	-	-	(1,599,125)	(1,599,125)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(1,599,125)	(1,599,125)
New shares issued	2,159	10,300,998	-	-	-	10,303,157
Share issue costs	-	(389,955)	-	-	-	(389,955)
Share buy back	-	-	-	-	-	-
Unissued shares	-	-	-	67,727	-	67,727
Reconciliation for FRS 102	-	-	-	-	(7,579)	(7,579)
At 31 December 2015	4,852	14,868,468	-	67,727	(3,659,108)	11,281,939
Other comprehensive income	-	-	-	-	(3,821,796)	(3,821,796)
Total comprehensive income for the year	-	-	-	-	(3,821,796)	(3,821,796)
New shares issued	-	1,168	-	-	-	1,168
Share issue costs	-	-	-	-	-	-
Share buy back	(31)	-	31	-	-	-
Unissued shares	14	67,713	-	(67,727)	-	-
At 31 December 2016	4,835	14,937,349	31	-	(7,480,904)	7,461,311

Notes on pages 14 to 24 form part of the financial statements

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	7	564,914	529,655
Property, plant & equipment	8	1,481,301	882,048
Financial investments	9	<u>5,383</u>	<u>1,985</u>
		2,051,598	1,413,688
Current assets			
Debtors	10	672,116	367,974
Cash at bank and in hand		<u>5,335,002</u>	<u>9,659,598</u>
		6,007,118	10,027,572
Creditors: amount falling due within one year	11	<u>(641,276)</u>	<u>(209,566)</u>
Net current assets		<u>5,365,842</u>	<u>9,818,006</u>
Total assets less current liabilities		<u><u>7,417,440</u></u>	<u><u>11,231,694</u></u>
Capital and reserves			
Called up share capital	12	4,835	4,852
Share premium account		14,937,349	14,868,468
Other reserves		31	67,727
Profit and loss account		(7,524,775)	(3,709,353)
Shareholders' funds		<u><u>7,417,440</u></u>	<u><u>11,231,694</u></u>

Notes on pages 14 to 24 form part of the financial statements

These financial have been prepared in accordance UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 applicable in the UK and Republic of Ireland.

Approved by the Board for issue on 14/9/12


J D Kelly
Director

Company Registration No. 06848016

SEEDRS LIMITED

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Property, plant & equipment	8	1,496,314	861,311
Fixed asset investments	9	<u>699,071</u>	<u>699,071</u>
		2,195,385	1,560,382
Current assets			
Debtors:	10	549,225	360,946
Cash at bank and in hand		<u>5,181,018</u>	<u>9,475,100</u>
		5,730,243	9,836,046
Creditors: amount falling due within one year	11	<u>(464,317)</u>	<u>(114,489)</u>
Net current assets		<u>5,265,926</u>	<u>9,721,557</u>
Total assets less current liabilities		<u>7,461,311</u>	<u>11,281,939</u>
Capital and reserves			
Called up share capital	12	4,835	4,852
Share premium account		14,937,349	14,868,468
Other reserves		31	67,727
Profit and loss account		(7,480,904)	(3,659,108)
Shareholders' funds		<u>7,461,311</u>	<u>11,281,939</u>

Notes on pages 14 to 24 form part of the financial statements

These financial have been prepared in accordance UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 applicable in the UK and Republic of Ireland.

Approved by the Board for issue on 14/9/17


J.D. Kelsky
Director

Company Registration No. 06848016

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Profit Before Tax		(4,086,661)	(1,713,721)
<i>Adjustments for:</i>			
Depreciation		357,846	219,626
Amortisation		65,678	58,257
Impairments/Provisions		-	-
Interest receivable/Investment Income		(44,565)	(30,703)
Profit/(Loss) on disposals		(4,626)	-
Finance Costs		-	-
<i>Working Capital Movements</i>			
(Increase)/decrease in inventories		-	-
(Increase)/decrease in receivables		(278,125)	(190,516)
Increase/(decrease) in payables		431,710	146,669
Interest paid		-	-
Tax paid		144,810	94,149
Net cash from operating activities		(3,413,933)	(1,416,239)
Cash flows from investing activities			
Purchases of PPE/intangibles/investments		(958,641)	(447,673)
Proceeds from sale of PPE/intangibles/investments		2,245	-
Interest received		44,565	30,703
Net cash from investing activities		(911,831)	(416,970)
Cash flows from financing activities			
Proceeds from issue of shares		1,168	9,980,929
Proceeds/Repayments of loans		-	-
Net cash from financing activities		1,168	9,980,929
Net increase/(decrease) in cash and cash equivalents		(4,324,596)	8,147,720
Opening cash and cash equivalents		9,659,598	1,511,878
Closing cash and cash equivalents		<u>5,335,002</u>	<u>9,659,598</u>

Notes on pages 14 to 24 form part of the financial statements

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

1 Accounting policies

1.1 Statement of compliance

Seedrs Limited is a limited company incorporated in England. The Registered Office is Churchill House, 142-146 Old Street, London, EC1V 9BW.

Group's and parent Company's financial statements have been prepared in compliance with the Financial Reporting Standard 102.

The Group transitioned from Financial Reporting Standard for Smaller Entities (effective January 2015) to FRS102 as at 1 January 2016.

1.2 Basis of preparation

The directors consider that the Company has sufficient capital and liquid resources to fund its working capital and meet its liabilities, and, as mentioned in the Strategic Report, the Company is currently preparing to engage in a fundraising process. As a result, the directors are confident that the Company will remain a going concern for a period of not less than 12 months from the date that the financial statements are approved.

1.3 Basis of consolidation

The Group's financial statements consolidate the financial statements of the parent Company and all its subsidiary undertakings drawn up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the subsidiary so as to obtain benefit from its activities.

All subsidiaries have been included in the Group's financial statements using the acquisition method of accounting. Accordingly, the Group income statement includes the results of all subsidiaries for the whole period from their date of acquisition. A list of all subsidiaries and their acquisition dates are included below. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Angelweb Unipessoal, Lda (incorporated 10 Dec 2009)
Seedrs Nominees Limited (incorporated 31 Oct 2013)
Junction Investments, Inc. (purchased 27 Oct 2014)
Pubvest Securities LLC (purchased 27 Oct 2014)
PubVest Advisors LLC (purchased 27 Oct 2014)
PubVest GP Inc (purchased 27 Oct 2014)
Seedrs America Nominees, LLC (incorporated 16 Oct 2015)

1.4 Exemptions

No individual profit and loss is presented for the Company as permitted by section 408 of the Companies Act 2006. The parent Company has taken the exemption from preparing a cash flow statement under the terms of FRS 102 Section 7 *Cash Flow Statements*. The cash flows of the parent Company are included within its consolidated financial statements.

The Company is also exempt under the terms of FRS 102 Section 33 *Related Parties* from disclosing related party transactions with wholly-owned subsidiaries within the group.

In line with section 479A of the Companies Act 2006, Seedrs Nominees Limited is exempt from the requirements of the Act relating to the audit of the company's individual accounts.

1.5 Intangible assets

Intangible assets acquired separately from a business acquisition are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if their fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Amortisation is provided at rates calculated to write off the balance less estimated residual value of each over its expected useful life, as follows:

Domain	over 10 years
Goodwill	over 10 years

1.6 Impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in the profit and loss.

1.7 Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer platform	25% reducing balance
Office Equipment	over 4 years
Fixtures and fittings	over the shorter of the office operating lease, or over 4 years

Tangible fixed assets include capitalised development costs in respect of the Group's computer platform.

1.8 Revenue recognition

Turnover represents commissions receivable on closed transactions and realised carry on investment returns distributed to investors. It is stated net of certain investor referral fees paid in respect of closed transactions. Turnover is recognised as earned, when and to the extent that, the company obtains the right to consideration. It is measured at the fair value of the right to consideration excluding VAT.

A reconciliation of turnover is shown in Note 2 below.

1.9 Cost of sales

Cost of sales includes certain promotional fees and referral fees paid to third parties.

1.10 Leasing

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the lease term.

1.11 Equity Investments

Investments are stated at cost less provision for impairment. Where the acquisition consideration is satisfied by the issue of the Company's own shares, the fair value is calculated by reference to the issue price agreed between the parties at the date the investment is acquired.

1.12 Foreign currency translation

Parent Company

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. All differences are taken to profit and loss.

Group

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of the exchange ruling at the statement of financial position date. Income and expenses for each statement of comprehensive income are translated at the average exchange rate for the period. All resulting exchange rate difference are recognised in other comprehensive income.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1.13 Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. No expense is recognised for awards that do not ultimately vest.

At each statement of financial position date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous statement of financial position date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the profit and loss.

The financial effect of awards by the parent Company of options over its shares to the employees of subsidiary undertakings are recognised by the parent Company in its individual financial statements.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2	Reconciliation of turnover	2016	2015
		£	£
	Commission and realised carry	1,342,081	1,543,291
	Referral fees	<u>(260,285)</u>	<u>(710,438)</u>
	Turnover	<u>1,081,796</u>	<u>832,853</u>
	Above investor referral fees crystallise at the point of sale.		
3	Operating loss	2016	2015
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	357,846	219,626
	Amortisation of intangible assets	65,678	58,257
	Auditor's remuneration	33,800	24,000
4	Other income	2016	2015
		£	£
	Other income	4,589	4,184
	Bank interest	<u>44,565</u>	<u>30,703</u>
		<u>49,154</u>	<u>34,887</u>
5	Taxation	2016	2015
		£	£
	Domestic current year tax		
	Adjustment for prior years	<u>(129,423)</u>	<u>(98,036)</u>
	Total current tax	<u>(129,423)</u>	<u>(98,036)</u>

The Company has no liability to corporation tax due to losses incurred. The Company has trading losses of £6,723,178 (2015: £3,560,164) which may be available to carry forward and offset against future trading profits derived from the same trade.

No deferred tax asset has been recognised in respect of tax losses that may be available to the Company because the recognition criteria under FRS 102 Section 29 have not been satisfied.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Staff costs

	2016 £	2015 £
<i>a) Staff costs</i>		
Wages and salaries	2,259,759	1,244,291
Social security costs	<u>311,801</u>	<u>173,744</u>
	<u>2,571,560</u>	<u>1,418,035</u>

The average monthly number of employees during the year was 57 (2015: 36).

b) Director remuneration

	2016 £	2015 £
Aggregate remuneration in respect of qualifying services	<u>175,000</u>	<u>117,500</u>

7 Intangible assets

	Goodwill £	Domain £	Total £
Cost			
At 1 January 2016	538,883	66,207	605,090
Additions	-	-	-
Disposals	-	-	-
Exchange adjustment	109,537	13,457	122,994
At 31 December 2016	<u>648,420</u>	<u>79,664</u>	<u>728,084</u>
Amortisation			
At 1 January 2016	62,870	12,565	75,435
Charge for the year	58,820	6,858	65,678
Disposals	-	-	-
Exchange adjustment	18,801	3,256	22,057
At 31 December 2016	<u>140,491</u>	<u>22,679</u>	<u>163,170</u>
Net Book Value			
At 31 December 2016	<u>507,929</u>	<u>56,985</u>	<u>564,914</u>
At 31 December 2015	<u>476,013</u>	<u>53,642</u>	<u>529,655</u>

Goodwill arose from the acquisition of Junction Investments, Inc. on 27 October 2014. The domain was purchased by Junction Investments, Inc. pre-acquisition.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Property, plant & equipment

<i>Group</i>	Computer Platform £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 January 2016	1,357,117	15,882	78,782	1,451,781
Additions	744,354	165,898	48,389	958,641
Disposals	-	(14,869)	(2,529)	(17,398)
Exchange adjustment	-	2,428	8,191	10,619
At 31 December 2016	<u>2,101,471</u>	<u>169,339</u>	<u>132,833</u>	<u>2,403,643</u>
Depreciation				
At 1 January 2016	527,010	9,090	33,633	569,733
Charge for the year	314,222	21,317	22,307	357,846
Disposals	-	(10,177)	(353)	(10,530)
Exchange adjustment	-	202	5,091	5,293
At 31 December 2016	<u>841,232</u>	<u>20,432</u>	<u>60,678</u>	<u>922,342</u>
Net Book Value				
At 31 December 2016	<u>1,260,239</u>	<u>148,907</u>	<u>72,155</u>	<u>1,481,301</u>
At 31 December 2015	<u>830,107</u>	<u>6,792</u>	<u>45,149</u>	<u>882,048</u>
<i>Parent Company</i>				
Cost				
At 1 January 2016	1,350,171	15,882	37,249	1,403,302
Additions	849,628	116,567	22,776	988,971
Disposals	-	(14,869)	(3,530)	(18,399)
At 31 December 2016	<u>2,199,799</u>	<u>117,580</u>	<u>56,495</u>	<u>2,373,874</u>
Depreciation				
At 1 January 2016	526,866	9,090	6,035	541,991
Charge for the year	316,234	17,206	12,659	346,099
Disposals	-	(10,177)	(353)	(10,530)
At 31 December 2016	<u>843,100</u>	<u>16,119</u>	<u>18,341</u>	<u>877,560</u>
Net Book Value				
At 31 December 2016	<u>1,356,699</u>	<u>101,461</u>	<u>38,154</u>	<u>1,496,314</u>
At 31 December 2015	<u>823,305</u>	<u>6,792</u>	<u>31,214</u>	<u>861,311</u>

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Fixed asset investments (parent Company only)

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2016	1,060,226
Additions	147,112
At 31 December 2016	<u>1,207,338</u>
Provisions for diminution in value	
At 1 January 2016	361,155
Charge for the year	147,112
At 31 December 2016	<u>508,267</u>
Net book value	
At 31 December 2016	<u>699,071</u>
At 31 December 2015	<u>699,071</u>

Holdings in subsidiaries

The parent Company holds share capital of the following companies:

Company	Principal Activity	Country of registration or incorporation	Shares held Class	%
Subsidiary Undertakings				
Angelweb Unipessoal Lda	IT services	Portugal	Ordinary	100
Seedrs Nominees Limited	Nominee company	England and Wales	Ordinary	100
Junction Investments, Inc.	Investment in early- stage business	United States of America	Ordinary	100
PubVest Securities LLC (*)	Broker dealer	United States of America	Ordinary	100
PubVest Advisers LLC (*)	Investment advisor	United States of America	Ordinary	100
PubVest GP, Inc (*)	General partner	United States of America	Ordinary	100
Seedrs America Nominees LLC (*)	Nominee company	United States of America	Ordinary	100

(*) - holdings held indirectly; these entities are included within the consolidated results of Junction Investments, Inc.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Fixed asset investments (continued)

The aggregate amount of capital and reserves and the results of these undertakings for the relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	2016	2016
	£	£
Angelweb Unipessoal Lda	51,398	106,103
Seedrs Nominees Limited	1	-
Junction Investments, Inc. (Consolidated)	<u>2,242,241</u>	<u>(275,607)</u>

i) Seedrs Limited is the sole shareholder of Seedrs Nominees Limited, holding its entire issued share capital of 1 ordinary share of £0.01 issued at par.

ii) With the exception of PubVest Securities LLC, none of the subsidiaries are subject to audit hence the disclosures above are based upon accounts figures as at 31 December 2016.

iii) The amount disclosed as capital, reserves and accumulated deficit for Junction Investments, Inc. represents the consolidated results of the Junction Investments, Inc. group as at 31 December 2016 which includes the results of its subsidiaries.

iv) The directors have reviewed the underlying values of the investments and have concluded that, in their opinion, an impairment of £147,112 is appropriate in respect of the Junction Investments, Inc. group having reviewed the value of the investment at acquisition and the additional capital injected during 2015 and 2016, and note that this is the only reasonable approach at present. No impairment is required in respect of any other investments held.

10 Debtors

<i>Group</i>	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	8,841	7,113
Other debtors	254,493	67,354
Amounts falling due after one year:		
Other debtors	408,782	293,507
	<u>672,116</u>	<u>367,974</u>
 <i>Parent Company</i>	 2016 £	 2015 £
Amounts falling due within one year:		
Trade debtors	9,705	7,113
Other debtors	218,477	60,326
Amounts falling due after one year:		
Other debtors	321,043	293,507
	<u>549,225</u>	<u>360,946</u>

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Creditors : amounts falling due within one year

<i>Group</i>	2016	2015
	£	£
Trade creditors	326,786	39,848
Taxation and social security	117,026	95,089
Other creditors	197,464	74,629
	<u>641,276</u>	<u>209,566</u>
 <i>Parent Company</i>		
	£	£
Trade creditors	312,012	34,128
Taxation and social security	54,419	33,040
Other creditors	97,886	47,321
	<u>464,317</u>	<u>114,489</u>

12 Share Capital

	2016	2015
	£	£
Allotted, called up and fully paid		
852,664 ordinary shares of £0.0038462 each (2015: 856,901 Ordinary shares of £0.0038462)	3,279	3,296
404,532 Preferred shares of £0.0038462 each (2015: 404,532 Preferred shares of £0.0038462 each)	1,556	1,556
	<u>4,835</u>	<u>4,852</u>

There were 3,716 fully paid Ordinary shares of £0.0038462 each allotted during the year ended 31 December 2016 for a total consideration of £68,880. There were 7,953 fully paid Ordinary shares of £0.0038462 each repurchased by the Company during the year ended 31 December 2016.

Shareholders' rights

Ordinary Shares of £0.0038462 each

Ordinary shares have full rights in respect of voting, dividends and participation in any capital distribution arising on a winding up of the company. Ordinary shares are non-redeemable.

Series A Preferred Shared of £0.0038462 each

Series A Preferred shares have preferential rights in respect of participation in any capital distribution and anti-dilution, as set out in the articles. Series A Preferred shares have the same rights as ordinary shares in respect of voting and dividends. Series A Preferred shares are non-redeemable.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Financial commitments

The future minimum lease payments under non-cancellable operating leases for each of the following periods:

<i>Group</i>	2016	2015
	£	£
Operating leases which expire:		
Within one year	-	39,074
After one year and not later than five years	<u>711,769</u>	<u>-</u>
 <i>Parent Company</i>	 2016	 2015
	£	£
Operating leases which expire:		
Within one year	-	34,800
After one year and not later than five years	<u>528,001</u>	<u>-</u>

14 Share option plan

Share options are granted to employees, directors and certain advisors. All the options are equity-settled and vest on various dates up to 1 January 2019. The contractual life of each option granted is ten years.

Group and parent Company

The expense recognised for the share-based payments in respect of employee, director and advisor option grants during the year to 31 December 2016 is £nil (2015 - £nil).

<i>Group and parent Company</i>	2016	2016	2015	2015
	no.	WAEP	no.	WAEP
Outstanding as at 1 January 2016	- £	-	- £	-
Granted during the period	295,290 £	6.21	- £	-
Forfeited during the period	(27,762) £	6.21	- £	-
Exercised during the period	- £	-	- £	-
Expired during the period	- £	-	- £	-
 Outstanding as at 31 December 2016	 267,528 £	 6.21	 - £	 -
Exercisable as at 31 December 2016	86,208 £	6.21	- £	-

The weighted average fair value of options granted during the year was £nil (2015 - £nil). The exercise price for options outstanding at the end of the year was £6.214 (2015 - £nil).

As per FRS 102 section 35.10(b), we have taken the exemption as a first-time FRS 102 adopter and have not applied Section 26 *Share-Based Payments* to share options granted before the date of transition on 01 January 2016.

We have determined the fair value of the share options at grant date to be £nil.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Events after the reporting period

On 04 September 2017, Seedrs Limited executed a subscription agreement with one of its existing shareholders, securing an investment of £4,000,000 as part of its ongoing fundraising efforts. This has not been reflected in these financial statements.