

Company Registration No. 06848016 (England and Wales)

SEEDRS LIMITED

**GROUP DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

WEDNESDAY



A9ENU8T4

A34

30/09/2020

#164

COMPANIES HOUSE

SEEDRS LIMITED

CONTENTS

Company Information	3
Group Strategic Report.....	4
Group Directors' Report.....	5
Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements.....	6
Independent Auditor's Report to the Members of Seedrs Limited.....	7
Consolidated Profit and Loss and Other Comprehensive Income	9
Consolidated Statement of Changes in Equity	10
Parent Company Statement of Changes in Equity	11
Consolidated Statement of Financial Position	12
Parent Company Statement of Financial Position	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements.....	15-28

SEEDRS LIMITED
COMPANY INFORMATION

Directors	C Cadeira Da Silva J A Lynn S Rimmer T C Levene (Resigned 31 December 2019) J D Kelisky I McCaig M D Brooker
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 2019

The directors present their strategic report on the Group for the year ended 31 December 2019.

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 revenue is generated primarily from fees paid by businesses that raise investment on the platform, and activities ancillary to fundraising. There is also the potential for investor fees to be generated, which are contingent on the success of those businesses. To date the Group has realised a small portion of these investor fees; however the majority have not been realised, continue to be difficult to quantify at present, and so they have not been included as revenue.

Results and performance

The results of the Group for the year, as set out on page 9, show a significant growth in revenue to £4,275,670 (2018: £3,181,899) and a loss for the year of £4,657,613 (2018: £3,988,235). The shareholders' funds of the Group total £10,022,901 (2018: £9,969,825). 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 2019 has been very encouraging, with the platform achieving record levels of investment and fundraising activity while introducing market-leading products and technology. The Group completed a fundraising round of £4.4 million in the second half of the year in order to accelerate investment in the Group's research and development of new investment services and platform features while ensuring the Group's cost base follows a path to further efficiency and scalability to meet the Group's primary objectives.

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:

	2019	2018
Revenue for the year	£4,275,670	£3,181,899
Loss for the year	£4,657,613	£3,988,235

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group include: regulatory change, cyber security, 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. Like other businesses, the Group is also faced with the uncertainty of the circumstances surrounding the United Kingdom's departure from the European Union ("Brexit"). The Group has put together a plan to address potential outcomes of Brexit including regulatory impacts, data protection and status of European employees. The parent Company is regulated and based in the United Kingdom and its European operations are at a relatively small scale, and therefore the directors do not consider Brexit to be a material risk to the Group's business strategy. Also, like other businesses, the Group is faced with the present Covid-19 pandemic situation, and while it may be too early to accurately evaluate the extent of its macroeconomic and microeconomic impact, a sensitivity analysis has been performed to assess the impact on the Group's financial position in the event of further worsening economic scenarios. The Directors are monitoring the situation and adjusting the Group's business plans and objectives accordingly.

Future developments

The Group aims to grow significantly over the coming year, increasing its revenues, improving efficiencies in its cost base and introducing new products.

On behalf of the Board


J D Kelisky
Director

SEEDRS LIMITED
GROUP DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Registered No. 06848016

The directors present their report and the Group and parent Company financial statements for the year ended 31 December 2019.

Directors

The following directors have held office since 1 January 2019:

C Cadeira Da Silva
J A Lynn
S Rimmer
T C Levene (Resigned 31 December 2019)
J D Kelisky
I McCaig
M D Brooker

Proposed dividend

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2019 (2018: £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 appointed auditor to the Company and will be re-appointed in accordance with of the Companies Act 2006.

Going Concern

As discussed in note 3.1, the Directors have prepared business plans and cash flow forecasts for a period well beyond 12 months from the date of their approval of these financial statements, which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, from its committed cash, to meet its liabilities as they fall due for that period. As a result, these financial statements have been prepared on a going concern basis.

Should the present Covid-19 pandemic situation have an adverse business impact (which is currently unknown), the Group may be unable to meet its objectives and to discharge its liabilities as they fall due and, as a result, the Directors have concluded that these circumstances represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. It is noted, however, that the Group has evaluated the risks associated with Covid-19 on the business and is taking mitigating actions.

SEEDRS LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2019

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 they have elected to prepare the Group and parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard (March 2018 revision)* 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 parent Company and of their profit or loss for that 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;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the parent 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. Kelsky
Director

17 APRIL 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEEDRS LIMITED

Opinion

We have audited the financial statements of Seedrs Limited ("the Company") for the year ended 31 December 2019 which comprise the Consolidated Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Parent Company Statement of Changes in Equity, Consolidated Statement of Financial Position, Parent Company Statement of Financial Position, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

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 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard (March 2018 revision) applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3.1 to the financial statements which indicates that the Group incurred a net loss of £4.7m for the year (2018: £4.0m) and had operating cash outflows of £4.4m (2018: £3.6m), and, under certain scenarios, in particular adverse business impact of the Covid-19 pandemic, the Group's ability to continue as a going concern may be dependent on additional capital being raised that is not yet committed. This, along with the other matters explained in note 3.1, constitutes material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Paul McKechnie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5G

22 April 2020

SEEDRS LIMITED

CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Revenue		4,275,670	3,181,899
Cost of sales		<u>(85,684)</u>	<u>(31,339)</u>
Gross profit		4,189,986	3,150,560
Administrative expenses		<u>(9,331,452)</u>	<u>(7,484,908)</u>
Operating loss	4	(5,141,466)	(4,334,348)
Other interest receivable and similar income	5	52,586	45,284
Loss of ordinary activities before taxation		(5,088,880)	(4,289,064)
Tax on loss on ordinary activities	6	<u>431,267</u>	<u>300,829</u>
Loss for the year		<u>(4,657,613)</u>	<u>(3,988,235)</u>
Other comprehensive (loss)/income		(20,385)	30,410
Total comprehensive income		<u>(4,677,998)</u>	<u>(3,957,825)</u>

All amounts are from continuing operations

Notes on pages 15 to 28 form part of the financial statements

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Called-Up Share Capital	Share Premium	Capital Redemption Reserve	Non- Distributable Reserves	Profit and Loss Account	Total Equity
		£	£	£	£	£	£
At 1 January 2018		6,462	24,850,966	31	42,046	(11,194,216)	13,705,289
(Loss) for the year		-	-	-	-	(3,988,235)	(3,988,235)
Other comprehensive income		-	-	-	-	30,410	30,410
Total comprehensive income for the year		-	-	-	-	(3,957,825)	(3,957,825)
New shares issued		-	-	-	-	-	-
Share issue costs		-	-	-	-	-	-
Share-based payments		-	-	-	222,361	-	222,361
Unissued shares		-	-	-	-	-	-
At 31 December 2018		6,462	24,850,966	31	264,407	(15,152,041)	9,969,825
(Loss) for the year		-	-	-	-	(4,657,613)	(4,657,613)
Other comprehensive income		-	-	-	-	(20,385)	(20,385)
Total comprehensive income for the year		-	-	-	-	(4,677,998)	(4,677,998)
New shares issued	14	5	8,597	-	-	-	8,602
Share issue costs	14	-	(78,910)	-	-	-	(78,910)
Share-based payments	15	-	-	-	413,940	-	413,940
Unissued shares	14	-	-	-	4,387,442	-	4,387,442
At 31 December 2019		6,467	24,780,653	31	5,065,789	(19,830,038)	10,022,901

Notes on pages 15 to 28 form part of the financial statements

SEEDRS LIMITED

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Called-Up Share Capital	Share Premium	Capital Redemption Reserve	Non- Distributable Reserves	Profit and Loss Account	Total Equity
		£	£	£	£	£	£
At 1 January 2018		6,462	24,850,966	31	42,046	(11,117,409)	13,782,096
(Loss) for the year		-	-	-	-	(3,872,869)	(3,872,869)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(3,872,869)	(3,872,869)
New shares issued		-	-	-	-	-	-
Share issue costs		-	-	-	-	-	-
Share-based payments		-	-	-	222,361	-	222,361
Unissued shares		-	-	-	-	-	-
At 31 December 2018		6,462	24,850,966	31	264,407	(14,990,278)	10,131,588
(Loss) for the year		-	-	-	-	(4,980,724)	(4,980,724)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(4,980,724)	(4,980,724)
New shares issued	14	5	8,597	-	-	-	8,602
Share issue costs	14	-	(78,910)	-	-	-	(78,910)
Share-based payments	15	-	-	-	413,940	-	413,940
Unissued shares	14	-	-	-	4,387,442	-	4,387,442
At 31 December 2019		6,467	24,780,653	31	5,065,789	(19,971,002)	9,881,938

Notes on pages 15 to 28 form part of the financial statements

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

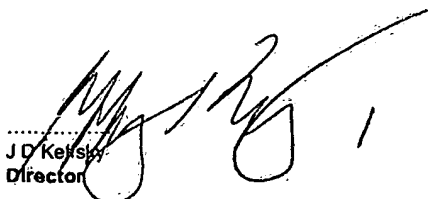
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	£	Restated* 2018 £	£
Fixed assets					
Intangible assets	8		3,168,990		2,601,317
Property and equipment	9		158,972		189,688
Financial investments			<u>13,637</u>		<u>10,949</u>
			3,341,599		2,801,954
Current assets					
Debtors	11	2,660,192		1,723,069	
Cash at bank and in hand		<u>4,843,769</u>		<u>6,337,093</u>	
		7,503,961		8,060,162	
Creditors: amount falling due within one year	12	<u>(822,659)</u>		<u>(892,291)</u>	
Net current assets			<u>6,681,302</u>		<u>7,167,871</u>
Total assets less current liabilities			<u>10,022,901</u>		<u>9,969,825</u>
Capital and reserves					
Called up share capital	14		6,467		6,462
Share premium account	14		24,780,653		24,850,966
Other reserves	14		5,065,820		264,438
Profit and loss account			(19,830,038)		(15,152,041)
Shareholders' funds			<u>10,022,901</u>		<u>9,969,825</u>

Notes on pages 15 to 28 form part of the financial statements. See note 17 for the details of the restatement.

These financial have been prepared in accordance UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 (March 2018 revision), applicable in the UK and Republic of Ireland.

Approved by the Board for issue on 17 APRIL 2020


J D Keirsey
Director

Company Registration No. 06848016

SEEDRS LIMITED

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	Restated*
		£	2018
		£	£
Fixed assets			
Intangible assets	8	2,815,842	2,283,818
Property and equipment	9	131,934	141,184
Fixed asset investments	10	350,371	699,071
		<u>3,298,147</u>	<u>3,124,073</u>
Current assets			
Debtors	11	2,587,759	1,544,615
Cash at bank and in hand		<u>4,787,564</u>	<u>6,241,041</u>
		7,375,323	7,785,656
Creditors: amount falling due within one year	12	<u>(791,532)</u>	<u>(778,141)</u>
Net current assets		<u>6,583,791</u>	<u>7,007,515</u>
Total assets less current liabilities		<u>9,881,938</u>	<u>10,131,588</u>
Capital and reserves			
Called up share capital	14	6,467	6,462
Share premium account	14	24,780,653	24,850,966
Other reserves	14	5,065,820	264,438
Profit and loss account		<u>(19,971,002)</u>	<u>(14,990,278)</u>
Shareholders' funds		<u>9,881,938</u>	<u>10,131,588</u>

Notes on pages 15 to 28 form part of the financial statements. See note 17 for the details of the restatement.

These financial have been prepared in accordance UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 (March 2018 revision), applicable in the UK and Republic of Ireland.

Approved by the Board for issue on 17 APRIL 2020


D Kenisky
Director

Company Registration No. 06848016

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	Restated 2018 £
Cash flows from operating activities		
Loss before tax	(5,088,880)	(4,289,064)
<i>Adjustments for:</i>		
Depreciation	128,134	24,727
Amortisation	755,728	660,371
Provision of bad debts	113,727	44,425
Share-based payments	413,940	222,361
Investment income/interest receivable	(18,956)	(43,571)
(Profit) on disposals	(828)	(66)
<i>Working capital movements</i>		
(Increase)/decrease in receivables	(617,720)	(894,930)
Increase/(decrease) in payables	(69,632)	357,678
Tax (paid)/received	(11,350)	279,720
Net cash from operating activities	(4,395,838)	(3,638,349)
Cash flows from investing activities		
Purchases of property and equipment	(100,733)	(61,192)
Capitalisation of intangibles	(1,334,425)	(1,214,512)
Proceeds from sale of property and equipment	910	843
Interest received	18,956	43,571
Net cash from investing activities	(1,415,292)	(1,231,290)
Cash flows from financing activities		
Proceeds from issue of shares	8,602	-
Advance against issue of shares (net of costs)	4,308,531	-
Net cash from financing activities	4,317,133	-
Net increase/(decrease) in cash and cash equivalents	(1,493,996)	(4,869,639)
Effect of exchange rates on cash and cash equivalents	672	(4,124)
Opening cash and cash equivalents	6,337,093	11,210,856
Closing cash and cash equivalents	4,843,769	6,337,093

Notes on pages 15 to 28 form part of the financial statements

SEEDRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Notes to the consolidated financial statements

1. General information

Seedrs Limited ('the parent Company') and its subsidiaries (together 'the Group') 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 parent Company is a limited company incorporated and registered in England. The registered office is Churchill House, 142-146 Old Street, London, EC1V 9BW.

2. Statement of compliance

The Group's and parent Company's financial statements have been prepared in compliance with the Financial Reporting Standard 102 (March 2018 version) ('FRS 102') and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Basis of preparation

The financial statements are prepared on a going concern basis notwithstanding that the Group has reported an operating loss of £5.1m for the year to 31 December 2019 (2018: £4.3m) and operating cash outflow of £4.4m (2018: £3.6m). The Directors have prepared business plans and cash flow forecasts for a period well beyond 12 months from the date of their approval of these financial statements, which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period. As the Group is in growth phase and has yet to generate a profit or positive operating cash flows, the assumptions within these long term forecasts are judgmental and actual results may differ significantly.

Under certain scenarios considered by the Directors, including choosing to invest further in growth and expansion, or if the present Covid-19 pandemic has an adverse business impact (which is currently unknown), there is a possibility that a further fundraise will be required in order for the Group to complete the path to profitability. Any required additional capital that may need to be raised is not yet fully committed and whilst the Directors, having previously raised such capital in recent years, have confidence in their ability to raise additional funds, there is no certainty that it will be successful at the time that it may be required.

Should a future capital raise be required and be unsuccessful, the Group may be unable to discharge its liabilities as they fall due and, as a result, the Directors have concluded that these circumstances represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

3.2 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.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.2 Basis of consolidation (continued)

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)

3.3 Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The parent Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the parent Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

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.

3.4 Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

3.5 Intangible assets

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

Domain	over 10 years
Computer Software	25% reducing balance

Amortisation is included in 'administrative expenses' in the profit and loss account. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.5 Intangible assets (continued)

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3.6 Property 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:

Office equipment	over 4 years
Fixtures and fittings	over the shorter of the office operating lease, or over 4 years

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/income'.

3.7 Impairment of financial and non-financial assets

The Group assesses at each reporting date whether an asset should 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.

3.8 Financial instruments

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.8 Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.9 Cash at bank and in hand

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.

3.10 Debtors

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

3.11 Creditors

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

3.12 Revenue Recognition

Revenue represents commissions receivable on successful fundraising campaigns on the platform, rendering of services associated with such campaigns and realised fees on investment returns distributed to investors. Revenue 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. Revenue further includes interest earned on client money balances.

3.13 Cost of sales

Cost of sales includes referral fees paid to third parties.

3.14 Leasing

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

3.15 Foreign currency translation

The Group financial statements are presented in pound sterling. The parent Company's functional and presentation currency is pound sterling.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.15 Foreign currency translation (continued)

Transactions and balances

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.

Translation

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.

3.16 Equity investments – parent Company

Investments are stated at cost less provision for impairment. Where the acquisition consideration has been satisfied by the issue of the parent 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.

3.17 Taxation

Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the profit and loss account. Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

3.18 Share-based payment

The cost of equity-settled transactions with counterparties is measured by reference to the fair value of the equity instruments granted at the date at which they are awarded. The cost is recognised as an expense over the vesting period, which ends on the date on which the relevant counterparties 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 transaction 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 transaction 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.

3.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue or advance of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4	Operating loss	2019	2018
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	128,134	24,727
	Amortisation of intangible assets, including goodwill	755,728	660,371
	Financial statements audit	27,600	27,600
	Other audit services	18,000	18,000
5	Other income	2019	2018
		£	£
	Other income	33,630	1,713
	Bank interest	18,956	43,571
		<u>52,586</u>	<u>45,284</u>
6	Taxation	2019	2018
		£	£
	Domestic current year tax		
	Adjustment for prior years	(431,267)	(300,829)
	Total current tax	<u>(431,267)</u>	<u>(300,829)</u>

The Company has no liability to corporation tax due to losses incurred. The Company has trading losses of £15,132,611 (2018: £13,461,689) 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.

7	Staff costs	2019	2018
		£	£
	<i>a) Staff costs</i>		
	Wages and salaries	5,233,872	4,109,799
	Social security costs	618,640	544,149
	Other pension costs	81,462	31,311
		<u>5,933,974</u>	<u>4,685,259</u>
	Amounts capitalised	<u>(906,009)</u>	<u>(760,199)</u>
	Staff costs charged to profit and loss	<u>5,027,965</u>	<u>3,925,060</u>

Included in wages and salaries is a total expense of share-based payments of £413,940 (2018: £222,361) arising from transactions accounted for as equity-settled share-based payment transactions.

The average monthly number of employees during the year was 94 (2018: 77).

The amount capitalised represents a proportion of the time spent by relevant teams in the development of Computer Software in line with note 3.5.

<i>b) Directors' remuneration</i>	2019	2018
	£	£
Aggregate remuneration in respect of qualifying services	<u>376,333</u>	<u>366,804</u>

The highest paid director received remuneration of £218,000.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Intangible assets

<i>Group</i>	Computer Software* £	Goodwill £	Domain £	Total £
Cost				
At 1 January 2019 (restated)	3,981,738	628,564	77,225	4,687,527
Additions - internally generated	1,334,425	-	-	1,334,425
Disposals	-	-	-	-
Exchange adjustment	-	(19,747)	(2,426)	(22,173)
At 31 December 2019	<u>5,316,163</u>	<u>608,817</u>	<u>74,799</u>	<u>5,999,779</u>
Amortisation				
At 1 January 2019 (restated)	1,787,667	261,901	36,642	2,086,210
Charge for the year	685,978	62,467	7,283	755,728
Disposals	-	-	-	-
Exchange adjustment	-	(9,813)	(1,336)	(11,149)
At 31 December 2019	<u>2,473,645</u>	<u>314,555</u>	<u>42,589</u>	<u>2,830,789</u>
Net Book Value				
At 31 December 2019	<u>2,842,518</u>	<u>294,262</u>	<u>32,210</u>	<u>3,168,990</u>
At 31 December 2018 (restated)	<u>2,194,071</u>	<u>366,663</u>	<u>40,583</u>	<u>2,601,317</u>
Parent Company				
	£	£	£	£
Cost				
At 1 January 2019 (restated)	4,134,634	-	-	4,134,634
Additions - internally generated	1,277,779	-	-	1,277,779
Disposals	-	-	-	-
Exchange adjustment	-	-	-	-
At 31 December 2019	<u>5,412,413</u>	<u>-</u>	<u>-</u>	<u>5,412,413</u>
Amortisation				
At 1 January 2019 (restated)	1,850,816	-	-	1,850,816
Charge for the year	745,755	-	-	745,755
Disposals	-	-	-	-
Exchange adjustment	-	-	-	-
At 31 December 2019	<u>2,596,571</u>	<u>-</u>	<u>-</u>	<u>2,596,571</u>
Net Book Value				
At 31 December 2019	<u>2,815,842</u>	<u>-</u>	<u>-</u>	<u>2,815,842</u>
At 31 December 2018 (restated)	<u>2,283,818</u>	<u>-</u>	<u>-</u>	<u>2,283,818</u>

Goodwill arose from the acquisition of Junction Investments, Inc. on 27 October 2014. The domain was purchased by Junction Investments, Inc. pre-acquisition. The directors have reviewed the value of goodwill and have concluded that, in their opinion, no impairment is required.

* Computer software was reclassified from a tangible asset to an intangible asset - see note 17.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Property and equipment

<i>Group</i>	Fixtures and Fittings £	Computer Equipment £	Total £
Cost			
At 1 January 2019 (restated)	198,379	225,834	424,213
Additions	51,876	48,857	100,733
Disposals	-	(9,902)	(9,902)
Exchange adjustment	(3,187)	(4,429)	(7,616)
At 31 December 2019	<u>247,068</u>	<u>260,360</u>	<u>507,428</u>
Depreciation			
At 1 January 2019 (restated)	118,790	115,735	234,525
Charge for the year	74,726	53,408	128,134
Disposals	-	(8,791)	(8,791)
Exchange adjustment	(2,288)	(3,124)	(5,412)
At 31 December 2019	<u>191,228</u>	<u>157,228</u>	<u>348,456</u>
Net Book Value			
At 31 December 2019	<u>55,840</u>	<u>103,132</u>	<u>158,972</u>
At 31 December 2018 (restated)	<u>79,589</u>	<u>110,099</u>	<u>189,688</u>
<i>Parent Company</i>			
Cost			
At 1 January 2019 (restated)	143,896	150,405	294,301
Additions	51,876	41,259	93,135
Disposals	-	(9,902)	(9,902)
At 31 December 2018	<u>195,772</u>	<u>181,762</u>	<u>377,534</u>
Depreciation			
At 1 January 2019 (restated)	87,007	66,110	153,117
Charge for the year	61,472	39,802	101,274
Disposals	-	(8,791)	(8,791)
At 31 December 2019	<u>148,479</u>	<u>97,121</u>	<u>245,600</u>
Net Book Value			
At 31 December 2019	<u>47,293</u>	<u>84,641</u>	<u>131,934</u>
At 31 December 2018 (restated)	<u>56,889</u>	<u>84,295</u>	<u>141,184</u>

* Computer software was reclassified from a tangible asset to an intangible asset - see note 17.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Fixed asset investments (parent Company only)

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2019	1,443,257
Additions	70,770
At 31 December 2019	<u>1,514,027</u>
Provisions for diminution in value	
At 1 January 2019	744,186
Charge for the year	419,470
At 31 December 2019	<u>1,163,656</u>
Net book value	
At 31 December 2019	<u>350,371</u>
At 31 December 2018	<u>699,071</u>

Holdings in subsidiaries

The parent Company holds share capital of the following companies:

Subsidiary Undertakings	Principal Activity	Address of Registration or Incorporation	Class	Shares held %
Angelweb Unipessoal Lda	IT services	Avenida Jacques Delors, 282, Tagus Park, Núcleo Central, Porto Salvo, Lisbon, Portugal	Ordinary	100
Seedrs Nominees Limited	Nominee company	Churchill House, 142-146 Old Street, London, England, EC1V 9BW	Ordinary	100
Junction Investments, Inc.	Investment in early-stage business	The Corporation Trust Company, 1209 Orange St., Wilmington, Delaware 19801	Ordinary	100
PubVest Securities LLC (*)	Broker dealer	The Corporation Trust Company, 1209 Orange St., Wilmington, Delaware 19801	Ordinary	100
PubVest Advisers LLC (*)	Investment advisor	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808	Ordinary	100
PubVest GP, Inc. (*)	General partner	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808	Ordinary	100
Seedrs America Nominees LLC (*)	Nominee company	The Corporation Trust Company, 1209 Orange St., Wilmington, Delaware 19801	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 2019

10 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
	2019 £	2019 £
Angelweb Unipessoal Lda	50,939	(53,682)
Seedrs Nominees Limited	1	-
Junction Investments, Inc. (Consolidated)	<u>2,402,962</u>	<u>(76,468)</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 2019.

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 2019 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 £419,470 is appropriate in respect of the Junction Investments, Inc. group having reviewed the value of the investment at 31 December 2019 and the estimated recoverable amount. No impairment is required in respect of any other investments held.

11 Debtors

<i>Group</i>	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,254,656	953,871
Other debtors	1,221,380	769,198
Amounts falling due after one year:		
Other debtors	184,156	-
	<u>2,660,192</u>	<u>1,723,069</u>
 <i>Parent Company</i>	 2019 £	 2018 £
Amounts falling due within one year:		
Trade debtors	1,250,584	953,871
Other debtors	1,153,019	590,744
Amounts falling due after one year:		
Other debtors	184,156	-
	<u>2,587,759</u>	<u>1,544,615</u>

Trade debtors are stated after provisions for impairment of £113,727 (2018: 44,425).

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Creditors : amounts falling due within one year

<i>Group</i>	2019	2018
	£	£
Trade creditors	190,019	112,209
Taxation and social security	214,323	316,058
Other creditors	418,317	464,024
	<u>822,659</u>	<u>892,291</u>

Parent Company

	£	£
Trade creditors	201,452	94,936
Taxation and social security	191,653	284,674
Other creditors	398,427	398,531
	<u>791,532</u>	<u>778,141</u>

13 Financial instruments

Financial assets	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	1,254,656	953,871
Other debtors due within one year	1,221,380	769,198
Other debtors due after one year	184,156	-
	<u>2,660,192</u>	<u>1,723,069</u>

Financial liabilities	2019	2018
	£	£
Financial liabilities that are debt instruments measured at amortised cost:		
Trade creditors	190,019	112,209
Taxation and social security	214,323	316,058
Accruals	210,813	222,336
Other creditors	207,504	241,688
	<u>822,659</u>	<u>892,291</u>

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****14 Share capital and other reserves****Share capital**

	Number of shares		2019	2018
	2019	2018		
Allotted, called up and fully paid			£	£
Ordinary shares of £0.0038462 each	1,107,367	1,105,970	4,259	4,254
Series A Preferred shares of £0.0038462 each	574,095	574,095	2,208	2,208
	1,681,462	1,680,065	6,467	6,462

There were 1,397 fully paid Ordinary shares of £0.0038462 each allotted during the year ended 31 December 2019 for a total consideration of £8,602.

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.

Share premium

Costs directly attributable to the advance of new issue of shares in the year were £78,910.

Other reserves

During the year, the parent company entered into a Deferred Subscription Agreement with multiple investors dated 30 October 2019 to provide funds to the parent company amounting to £6.55 million against the issue of ordinary shares in accordance with the terms of the agreement. As per arrangement of the agreement, the parent company received £4.4 million in advance in the current year and has the right to drawdown on the remaining £2.25 million in 2020.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****15 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 01 January 2023. 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 2019 is £413,940 (2018 - £222,361).

Equity-settled transactions are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Group and Company	2019 no.	2019 WAEP	2018 no.	2018 WAEP
Outstanding as at 1 January	407,325	£ 6.22	382,925	£ 6.22
Granted during the period	124,118	£ 6.21	34,626	£ 6.21
Forfeited during the period	(5,753)	£ 6.21	(10,226)	£ 6.21
Exercised during the period	(1,397)	£ 6.21	-	£ -
Expired during the period	-	£ -	-	£ -
Outstanding as at 31 December	524,293	£ 6.22	407,325	£ 6.22
Exercisable as at 31 December	302,318	£ 6.22	209,605	£ 6.22

The weighted average fair value of options granted during the year was £5.76 (2018 - £5.42). The exercise price for options outstanding at the end of the year was £6.22 (2018 - £6.22).

The fair value of the share-based payments has been estimated using the Black-Scholes option-pricing model taking into account the terms and conditions upon which the instruments were granted. The inputs used in the estimate of the fair values at grant date were as follows:

	2019	2018
Fair Value	5.76	5.42
Share Price	11.80	11.80
Exercise Price	6.21	6.21
Expected Volatility	10%	10%
Expected Life (years)	4	4
Risk-free rate	0.75%	0.75%

The Group has based the expected volatility figure on implied volatilities of companies in similar sectors and other publicly available information for indices where similar companies are publicly traded. Risk-free rate is based on the UK Base rate at the time of grant.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Financial commitments

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

<i>Group</i>	2019	2018
	£	£
Operating lease payments due:		
Within one year	249,210	206,731
After one year and not later than five years	46,125	-

<i>Parent Company</i>	2019	2018
	£	£
Operating lease payments due:		
Within one year	180,022	157,741
After one year and not later than five years	-	-

17 Comparative amounts

Computer software, which was previously included within Property & Equipment as Computer Platform, has been reclassified as an Intangible asset. This change has been made as the Computer Platform is considered to meet the definition of an intangible asset.

The effect of the restatement of the Statement of Financial Position was as follows:

As at 31 December 2018 - Group

Statement of Financial Position	As previously reported	Increase/ (decrease)	As restated
	£	£	£
Property and equipment	2,383,758	(2,194,071)	189,687
Intangible assets	407,246	2,194,071	2,601,317

As at 31 December 2018 - Parent Company

Statement of Financial Position	As previously reported	Increase/ (decrease)	As restated
	£	£	£
Property and equipment	2,424,501	(2,283,318)	141,183
Intangible assets	-	2,283,318	2,283,318

18 Subsequent events

Since the start of January 2020, the outbreak of Covid-19, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors consider this to be a non-adjusting subsequent event and do not believe there is any financial impact to the Financial Statements as at 31 December 2019 as a result of this subsequent event.