

**Registered number: 07014587**

**CROWDCUBE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**



# **CROWDCUBE LIMITED**

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## **CROWDCUBE LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	D M Westlake T B Bunting L J Lang S Williams W T A Simmons J N H Sibilia (appointed 9 November 2018)
<b>Company secretary</b>	W T A Simmons
<b>Registered number</b>	07014587
<b>Registered office</b>	Fourth Floor Broadwalk House (South Block) Exeter Devon EX1 1TS
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

## **CROWDCUBE LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The directors present the Strategic Report for Crowdcube Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 30 September 2018.

#### **Business review**

The principal activity of the Group is the provision of a crowdfunding platform. During the year the Group delivered a 66% increase in funded companies while maintaining a relatively stable cost base. This resulted in a 40% increase in revenue and an 35% decrease in operating losses.

The Group continues to invest for growth through product development, process improvements and key hires. The Group made an operating loss for the year of £3,021,411 compared to an operating loss of £4,626,680 in the prior year.

At the balance sheet date the Group's net cash position was £2,241,785 (2017: £5,466,951).

#### **Principal risks and uncertainties**

##### *Competition risk*

The Group operates in a competitive market and faces competition from both other crowdfunding platforms and other sources of finance in attracting potential issuers to the platform. The Group continuously monitors publicly available information relating to competitors in order to analyse competitors fees and clients. The Group also ensures transparency in their services and fees as well as ensuring positive promotion of its activities within the market to help mitigate this risk.

##### *Brexit risk*

Both Brexit, and period leading up to Brexit, could have a negative impact on the Group. In particular, the uncertainty regarding Brexit may result in some potential issuers delaying plans to raise funds via the platform. The Group has reviewed the possible Brexit outcomes to assess their potential impacts on the business. Where necessary, plans are in process to help mitigate the risk from Brexit and the company closely monitors Brexit details to ensure their plans are sufficiently up to date.

##### *Regulatory risk*

The Group is regulated by the Financial Conduct Authority in the UK and the National Securities Markets Commission in Spain. The withdrawal of regulatory authorisations, or the transfer of regulatory oversight to a new regulatory, could require the Group to cease or modify a significant part of its operations. The Group has a dedicated regulatory team to ensure all regulations are complied with and that the Group can quickly adapt to any changes in the regulator environment if necessary.

#### **Employees**

The Group is committed to the involvement of all employees in the business. Managers are measured closely on the Group's performance targets. Performance information is shared throughout the teams.

#### **Employment of disabled persons**

The Group considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Group continues.

#### **Equal opportunities**

The Group is an equal opportunities employer. Its policy is to ensure that all employees are treated with the same respect and consideration regarding sex, age, colour, disability, nationality or ethnic origin. The Group's policy is to provide training, career development and opportunities for promotion.

## **CROWDCUBE LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018**

#### **Environmental matters**

The Group recognises the importance of its environmental responsibilities and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives designed to minimise the Group's net impact on the environment include recycling and reducing energy consumption.

#### **Financial key performance indicators**

The directors and management team receive a wide range of management information including comparative against budget and the previous period. The principal measures that are reviewed are:

- Number and value of deals launched
- Success rates – the percentage of deals launched which reach their target raise amount
- Value of investment through the platform
- No. of active members and investors
- Revenue
- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Operating cash flows and cash position

This report was approved by the board on 21/12/18

and signed on its behalf by:



**D M Westlake**  
Director

## **CROWDCUBE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The directors present their Annual Report and the audited financial statements of Crowdcube Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 30 September 2018.

#### **Results and dividends**

The loss of the Group for the financial year amounted to £3,030,572 (2017: £4,704,584).

No dividends were paid during the year (2017: £Nil) and the directors do not recommend any payment of dividends in respect of the year.

#### **Directors**

The directors who served during the year up to the date of signing the financial statements were:

D M Westlake  
T B Bunting  
L J Lang  
S Williams  
W T A Simmons  
J N H Sibilia (appointed 9 November 2018)

#### **Financial risk management**

There is little credit risk as the majority of funds due to the Group are collected at source on completion of successful deals. Where credit risk does arise the Group has active credit control procedures in place.

With regard to liquidity risk the Group actively manages cash and prepares rolling cash flow forecasts covering the next 12 months which are updated on a monthly basis. The Group maintains an appropriate level of cash to settle all financial obligations as they fall due and to meet planned activities.

#### **Future developments**

The Group remains focused on leading the equity crowdfunding markets in both the UK and Spain and is expecting consistent revenue growth in FY19. The Group completed a fundraising round post year end and intends to use the proceeds to drive continued growth and market expansion.

## **CROWDCUBE LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018**

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Disclosure of information to auditors**

In the case of each director in office at the date the Directors' Report is approved:

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

#### **Independent auditors**

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

This report was approved by the board on 21/12/18

and signed on its behalf by:



**D M Westlake**  
Director

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Crowdcube Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2018 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 30 September 2018; the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

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We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

### **Reporting on other information**

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The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



## **CROWDCUBE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROWDCUBE LIMITED (CONTINUED)**

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

##### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

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

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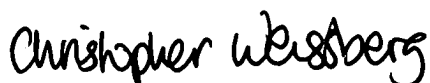
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Christopher Weissberg (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 21/12/2018

**CROWDCUBE LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Turnover	5	5,250,752	3,776,709
Cost of sales		(1,824,461)	(1,782,304)
<b>Gross profit</b>		<b>3,426,291</b>	<b>1,994,405</b>
Administrative expenses		(6,858,514)	(6,621,085)
Other operating income	6	410,812	-
<b>Operating loss</b>	7	<b>(3,021,411)</b>	<b>(4,626,680)</b>
Share of loss of associates		(9,084)	(77,105)
<b>Total operating loss</b>		<b>(3,030,495)</b>	<b>(4,703,785)</b>
Interest payable and similar expenses	12	(77)	(799)
<b>Loss before taxation</b>		<b>(3,030,572)</b>	<b>(4,704,584)</b>
Tax on loss	13	-	-
<b>Loss for the financial year</b>		<b>(3,030,572)</b>	<b>(4,704,584)</b>
Movement on foreign exchange		247	15,700
<b>Other comprehensive income for the financial year</b>		<b>247</b>	<b>15,700</b>
<b>Total comprehensive expense for the financial year</b>		<b>(3,030,325)</b>	<b>(4,688,884)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent Company		(3,030,572)	(4,704,584)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the parent Company		(3,030,325)	(4,688,884)

The notes on pages 14 to 33 form part of these financial statements.

**CROWDCUBE LIMITED**  
**REGISTERED NUMBER: 07014587**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	14	200,177	286,486
Tangible assets	15	282,916	75,745
Investments	16	-	4,084
		<u>483,093</u>	<u>366,315</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	17	91,667	191,667
Debtors: amounts falling due within one year	17	1,148,272	784,974
Investments	18	17,510	15,883
Cash at bank and in hand	19	2,241,785	5,466,951
		<u>3,499,234</u>	<u>6,459,475</u>
Creditors: amounts falling due within one year	20	(877,972)	(1,026,476)
<b>Net current assets</b>		<u>2,621,262</u>	<u>5,432,999</u>
<b>Total assets less current liabilities</b>		<u>3,104,355</u>	<u>5,799,314</u>
<b>Capital and reserves</b>			
Called up share capital	22	228,394	226,342
Share premium account	23	22,013,316	21,966,226
Foreign exchange reserve	23	14,370	14,123
Share based payment reserve	23	1,323,554	1,037,330
Profit and loss account	23	(20,475,279)	(17,444,707)
<b>Total shareholders' funds</b>		<u>3,104,355</u>	<u>5,799,314</u>

The financial statements on pages 8 to 34 were approved and authorised for issue by the board and were signed on its behalf by:



**D M Westlake**  
Director

Date: 21/12/18

The notes on pages 14 to 33 form part of these financial statements.

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	14	7,500	-
Tangible assets	15	274,881	66,626
Investments	16	2,906,943	2,754,267
		<u>3,189,324</u>	<u>2,820,893</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	17	91,667	191,667
Debtors: amounts falling due within one year	17	1,136,997	862,351
Current asset investments	18	13,775	12,137
Cash at bank and in hand	19	408,469	3,604,258
		<u>1,650,908</u>	<u>4,670,413</u>
Creditors: amounts falling due within one year	20	(831,328)	(959,256)
<b>Net current assets</b>		<u>819,580</u>	<u>3,711,157</u>
<b>Total assets less current liabilities</b>		<u><u>4,008,904</u></u>	<u><u>6,532,050</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	228,394	226,342
Share premium account	23	22,013,316	21,966,226
Share based payment reserve	23	1,323,554	1,037,330
Profit and loss account brought forward		(16,697,848)	(12,404,562)
Loss for the financial year		<u>(2,858,512)</u>	<u>(4,293,286)</u>
Profit and loss account carried forward		<u>(19,556,360)</u>	<u>(16,697,848)</u>
<b>Total shareholders funds</b>		<u><u>4,008,904</u></u>	<u><u>6,532,050</u></u>

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



**D M Westlake**  
Director

Date: 21/12/18

The notes on pages 15 to 34 form part of these financial statements.

**CROWDCUBE LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Share based payment reserve £	Profit and loss account £	Total shareholders' funds £
<b>At 1 October 2016</b>	222,920	20,969,648	(1,577)	576,777	(12,740,123)	9,027,645
<b>Comprehensive (expense)/ income for the financial year</b>						
Loss for the financial year	-	-	-	-	(4,704,584)	(4,704,584)
Movement in foreign exchange	-	-	15,700	-	-	15,700
<b>Total comprehensive expense for the financial year</b>	-	-	15,700	-	(4,704,584)	(4,688,884)
Shares issued during the year	3,422	996,578	-	-	-	1,000,000
Share based payment	-	-	-	460,553	-	460,553
<b>Total transactions with owners</b>	3,422	996,578	-	460,553	-	1,460,553
<b>At 30 September 2017 and 1 October 2017</b>	226,342	21,966,226	14,123	1,037,330	(17,444,707)	5,799,314
<b>Comprehensive (expense)/income for the financial year</b>						
Loss for the financial year	-	-	-	-	(3,030,572)	(3,030,572)
Movement in foreign exchange	-	-	247	-	-	247
<b>Total comprehensive expense for the financial year</b>	-	-	247	-	(3,030,572)	(3,030,325)
Shares issued during the year	2,052	47,090	-	-	-	49,142
Share based payment	-	-	-	286,224	-	286,224
<b>Total transactions with owners</b>	2,052	47,090	-	286,224	-	335,366
<b>At 30 September 2018</b>	228,394	22,013,316	14,370	1,323,554	(20,475,279)	3,104,355

The notes on pages 14 to 33 form part of these financial statements.

**CROWDCUBE LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total shareholders' funds £
<b>At 1 October 2016</b>	<b>222,920</b>	<b>20,969,648</b>	<b>576,777</b>	<b>(12,404,562)</b>	<b>9,364,783</b>
<b>Comprehensive expense for the financial year</b>					
Loss for the financial year	-	-	-	(4,293,286)	(4,293,286)
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,293,286)</b>	<b>(4,293,286)</b>
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	3,422	996,578	-	-	1,000,000
Share based payment	-	-	460,553	-	460,553
<b>Total transactions with owners</b>	<b>3,422</b>	<b>996,578</b>	<b>460,553</b>	<b>-</b>	<b>1,460,553</b>
<b>At 30 September 2017 and 1 October 2017</b>	<b>226,342</b>	<b>21,966,226</b>	<b>1,037,330</b>	<b>(16,697,848)</b>	<b>6,532,050</b>
<b>Comprehensive expense for the financial year</b>					
Loss for the financial year	-	-	-	(2,858,512)	(2,858,512)
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,858,512)</b>	<b>(2,858,512)</b>
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	2,052	47,090	-	-	49,142
Share based payment	-	-	286,224	-	286,224
<b>Total transactions with owners</b>	<b>2,052</b>	<b>47,090</b>	<b>286,224</b>	<b>-</b>	<b>335,366</b>
<b>At 30 September 2018</b>	<b>228,394</b>	<b>22,013,316</b>	<b>1,323,554</b>	<b>(19,556,360)</b>	<b>4,008,904</b>

The notes on pages 14 to 33 form part of these financial statements.

**CROWDCUBE LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	2018 £	2017 £
<b>Cash flows used in operating activities</b>		
Loss for the financial year	(3,030,572)	(4,704,584)
<b>Adjustments for:</b>		
Interest payable and similar expenses	77	799
Amortisation of intangible assets	93,809	93,809
Depreciation of tangible assets	48,760	35,870
Increase in debtors	(363,298)	(147,509)
(Decrease)/increase in creditors	(148,504)	154,053
Foreign exchange movement in intangible asset	-	(5,058)
Share based payment charge	286,224	460,553
Unrealised currency translation	247	15,700
Share of associate losses	9,084	77,105
<b>Net cash used in operating activities</b>	<u>(3,104,173)</u>	<u>(4,019,262)</u>
<b>Cash flows used in investing activities</b>		
Purchase of intangible assets	(7,500)	-
Purchase of tangible assets	(270,437)	(1,379)
Sale of tangible assets	14,506	-
Purchase of short term unlisted investments	(1,627)	(5,424)
Purchase of share in associates	(5,000)	-
Loans to associates	100,000	(191,667)
<b>Net cash used in investing activities</b>	<u>(170,058)</u>	<u>(198,470)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	49,142	1,000,000
Interest paid	(77)	(799)
<b>Net cash from financing activities</b>	<u>49,065</u>	<u>999,201</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(3,225,166)</u>	<u>(3,218,531)</u>
Cash and cash equivalents at beginning of year	5,466,951	8,685,482
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,241,785</u></u>	<u><u>5,466,951</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><u>2,241,785</u></u>	<u><u>5,466,951</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**1. General information**

Crowdcube Limited (the "Company") is a private company limited by shares incorporated and domiciled in England, UK. The address of the registered office is: Fourth Floor, Broadwalk House (South Block), Exeter, Devon, EX1 1TS. The principal activity of the Company and its subsidiaries (collectively, the "Group") is the provision of a crowdfunding platform.

The principal activity of the Group is the provision of a crowdfunding platform.

**2. Statement of compliance**

The Group and individual financial statements of Crowdcube Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3. Accounting policies**

**3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group accounting policies (see note 4).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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

**3.2 Going concern**

The Group has £2.2m of cash held on the balance sheet as at 30 September 2018 and based on forecast performance and post year end funding this will enable the group to meet its liabilities as they fall due for at least 12 months following the date of signing the financial statements as well as allowing continued investment. Post year end, the Group has completed a fund raise involving both crowd and institutional investors, consistent with its fundraising history to date.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**3. Accounting policies (continued)**

**3.3 Basis of consolidation**

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 30 September 2018.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**3.4 Associates and joint ventures**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**3. Accounting policies (continued)**

**3.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**3.6 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Goodwill	5 years - straight line
Software	5 years - straight line

**3.7 Tangible assets**

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**3. Accounting policies (continued)**

**3.7 Tangible assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 25% - straight line
Computer equipment	- 25% - straight line
Leasehold improvements	- 9.5 years - straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**3.8 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**3.9 Debtors**

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

**3.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**3. Accounting policies (continued)**

**3.11 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3.12 Creditors**

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

**3.13 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**3. Accounting policies (continued)**

**3.14 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**3.15 Operating leases**

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

**3.16 Employee benefits**

**(i) Short term benefits**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**ii) Share based payments**

The Group operates share option schemes which allows key employees to acquire shares in the company. Where the group awards share options, the fair value of options granted is calculated at the grant date using the Black Scholes model. The model is Internationally recognised as being appropriate to value employee share schemes but does require inputs based on best estimates from management. The resulting cost of the options is charged to the profit and loss account over the vesting period during which the recipient becomes unconditionally entitled to exercise the options, and credited to equity.

**3.17 Interest income**

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

**3.18 Share Capital**

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

**3.19 Related party transactions**

The Group discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same group that are wholly owned. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

Preparation of the financial statements requires the directors to make significant judgements and estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors consider there to be no significant judgements affecting amounts recognised in the Consolidated financial information.

The Directors consider that the following estimates are likely to have the most significant effect on the amounts recognised in the Consolidated financial information.

**Share based payments**

The Group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes but does require inputs based on best estimates from management. Details of management assumptions and estimates are detailed in note 11.

**Value of Intangible assets and goodwill**

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**5. Turnover**

The whole of the turnover is attributable to the principal activity of the Company and its subsidiaries (collectively, the "Group") being the provision of a crowdfunding platform.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	4,942,749	3,600,143
Rest of Europe	308,003	176,566
	<u>5,250,752</u>	<u>3,776,709</u>

# CROWDCUBE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 6. Other operating income

	2018 £	2017 £
Other operating income	<b>410,812</b>	-

### 7. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	<b>48,760</b>	35,870
Amortisation of intangible assets, including goodwill	<b>93,809</b>	93,809
Impairment of trade debtors	-	205
Operating lease rentals	<b>323,182</b>	399,407
Share based payment	<b>286,224</b>	460,553

### 8. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<b>16,450</b>	15,000
<b>Fees payable to the Group's auditors in respect of:</b>		
Audit of the Company's subsidiaries	<b>5,150</b>	5,000
Tax compliance services	<b>5,400</b>	7,250
All other services	<b>88,050</b>	18,500
	<b>98,600</b>	30,750

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**9. Employees**

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

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Wages and salaries	<b>3,751,394</b>	3,674,380	<b>3,751,394</b>	3,450,095
Social security costs	<b>408,524</b>	386,391	<b>408,524</b>	386,391
Other pension costs	<b>97,387</b>	103,561	<b>97,387</b>	103,561
	<b><u>4,257,305</u></b>	<u>4,164,332</u>	<b><u>4,257,305</u></b>	<u>3,940,047</u>

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

	<b>2018 Number</b>	<b>2017 Number</b>
Employees	<b><u>65</u></b>	<u>79</u>

**10. Directors' remuneration**

	<b>2018 £</b>	<b>2017 £</b>
Aggregate directors' remuneration	<b><u>538,969</u></b>	<u>482,000</u>

The highest paid director received remuneration of £183,899(2017: £159,460).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**
**11. Share based payments**

The Group operates a number of share based payment schemes. All options are granted with a fixed exercise price, and expire within 10 years of the date of grant. There is no entitlement to dividends attached to the options. Employees are required to remain in employment until the shares are exercised. Vesting conditions of options granted over the period are as follows:

**2018**

3,300,675 options granted, vest in equal installments over 4 years.

**2017**

8,574,502 options granted, vest in equal installments over 4 years.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) 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.

A reconciliation of share option movements over the year to 30 September is shown below:

	<u>2018</u>		<u>2017</u>	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 1 October	22,304,949	£0.046	15,377,629	£0.030
Granted	3,300,675	£0.073	8,574,502	£0.076
Exercised	(2,051,870)	£0.024	-	£0.000
Forfeited	(3,534,808)	£0.027	(1,647,182)	£0.022
Outstanding as at 30 September	20,018,946	£0.018	22,304,949	£0.046
Exercisable as at 30 September	8,127,638	£0.024	5,647,771	£0.032

The total charge for the year expensed to the profit and loss account was £286,224 (2017: £460,553).

The fair value of the options is estimated at the grant date using a Black-Scholes option-pricing model that uses assumptions noted in the table below.

	<u>Year to 30 September 2018</u>	<u>Year to 30 September 2017</u>
Expected life of options	4	4
Range of exercise prices (per option)	£0.015 - £0.45	£0.015 - £0.45
Market value of underlying shares	£0.29	£0.29
Risk free rate	0.50%	0.25%
Expected share price volatility	40%	40%
Range of fair values per option	£0.216 - £1.99	£0.216 - £1.99

The group uses historical data to estimate option exercise and employee termination within the valuation model. The risk free rates for the periods within the contractual life of the option are based on the UK base rates at the time of the grant. Expected volatilities are based on implied volatilities as determined by review of information available for companies based in similar sectors. The average option life is expected to be 4 years from grant date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**12. Interest payable and similar expenses**

	2018 £	2017 £
Bank interest payable	<u>77</u>	<u>799</u>

**13. Tax on loss**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%). The differences are explained below:

	2018 £	2017 £
Loss before taxation	<u>(3,030,572)</u>	<u>(4,704,584)</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	(575,809)	(917,394)
<b>Effects of:</b>		
Unrelieved tax losses carried forward	<u>575,809</u>	<u>917,394</u>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**14. Intangible assets**

**Group**

	Software £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2017	-	474,104	474,104
Additions	7,500	-	7,500
At 30 September 2018	<u>7,500</u>	<u>474,104</u>	<u>481,604</u>
<b>Accumulated amortisation</b>			
At 1 October 2017	-	187,618	187,618
Charge for the year	-	93,809	93,809
At 30 September 2018	<u>-</u>	<u>281,427</u>	<u>281,427</u>
<b>Net book value</b>			
At 30 September 2018	<u>7,500</u>	<u>192,677</u>	<u>200,177</u>
At 30 September 2017	<u>-</u>	<u>286,486</u>	<u>286,486</u>

**Company**

	Software £
<b>Cost</b>	
At 1 October 2017	-
Additions	7,500
<b>At 30 September 2018</b>	<u>7,500</u>
<b>Accumulated amortisation</b>	
At 1 October 2017	-
Charge for the year	-
<b>At 30 September 2018</b>	<u>-</u>
<b>Net book value</b>	
At 30 September 2018	<u>7,500</u>
At 30 September 2017	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**15. Tangible assets**

**Group**

	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>				
At 1 October 2017	202,592	56,104	-	258,696
Additions	49,391	-	221,046	270,437
Disposals	(22,818)	(1,851)	-	(24,669)
At 30 September 2018	<u>229,165</u>	<u>54,253</u>	<u>221,046</u>	<u>504,464</u>
<b>Accumulated depreciation</b>				
At 1 October 2017	128,698	54,253	-	182,951
Charge for the year	42,943	-	5,817	48,760
Disposals	(10,163)	-	-	(10,163)
At 30 September 2018	<u>161,478</u>	<u>54,253</u>	<u>5,817</u>	<u>221,548</u>
<b>Net book value</b>				
At 30 September 2018	<u>67,687</u>	<u>-</u>	<u>215,229</u>	<u>282,916</u>
At 30 September 2017	<u>73,894</u>	<u>1,851</u>	<u>-</u>	<u>75,745</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**15. Tangible assets (continued)**

**Company**

	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>				
At 1 October 2017	195,324	54,253	-	249,577
Additions	41,356	-	221,046	262,402
Disposals	(15,550)	-	-	(15,550)
At 30 September 2018	<u>221,130</u>	<u>54,253</u>	<u>221,046</u>	<u>496,429</u>
<b>Accumulated depreciation</b>				
At 1 October 2017	128,698	54,253	-	182,951
Charge for the year	42,943	-	5,817	48,760
Disposals	(10,163)	-	-	(10,163)
At 30 September 2018	<u>161,478</u>	<u>54,253</u>	<u>5,817</u>	<u>221,548</u>
<b>Net book value</b>				
At 30 September 2018	<u>59,652</u>	<u>-</u>	<u>215,229</u>	<u>274,881</u>
At 30 September 2017	<u>66,626</u>	<u>-</u>	<u>-</u>	<u>66,626</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**16. Investments**

**Group**

	<b>Investments in associates £</b>
<b>Cost or valuation</b>	
At 1 October 2017	4,084
Additions	5,000
At 30 September 2018	<u>9,084</u>
<b>Impairment</b>	
Charge for the period	9,084
At 30 September 2018	<u>9,084</u>
At 30 September 2018	<u>-</u>
At 30 September 2017	<u>4,084</u>

Details of the principal subsidiaries, joint ventures and associates can be found under note 28.

**Company**

	<b>Investments in subsidiary companies £</b>	<b>Investments in associates £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2017	2,704,267	50,000	2,754,267
Additions	147,676	5,000	152,676
At 30 September 2018	<u>2,851,943</u>	<u>55,000</u>	<u>2,906,943</u>
<b>Net book value</b>			
At 30 September 2018	<u>2,851,943</u>	<u>55,000</u>	<u>2,906,943</u>
At 30 September 2017	<u>2,704,267</u>	<u>50,000</u>	<u>2,754,267</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**17. Debtors**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
<b>Due after more than one year</b>				
Loans to associates	<b>91,667</b>	191,667	<b>91,667</b>	191,667
	<b>91,667</b>	191,667	<b>91,667</b>	191,667
	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
<b>Due within one year</b>				
Trade debtors	<b>120,545</b>	53,052	<b>69,104</b>	14,999
Amounts owed by group undertakings	-	-	<b>189,392</b>	133,783
Other debtors	<b>1,027,727</b>	731,922	<b>878,501</b>	713,569
	<b>1,148,272</b>	784,974	<b>1,136,997</b>	862,351

Trade debtors are stated after provisions for impairment of £Nil (2017: £205).

**18. Current asset investments**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Unlisted investments	<b>17,510</b>	15,883	<b>13,775</b>	12,137

Unlisted investments represents notional value holdings in clients of the company. Investments are valued at cost less provision for impairment.

**19. Cash at bank and in hand**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Cash at bank and in hand	<b>2,241,785</b>	5,466,951	<b>408,469</b>	3,604,258

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**20. Creditors: Amounts falling due within one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Trade creditors	<b>421,750</b>	536,458	<b>375,117</b>	463,638
Other taxation and social security	<b>95,153</b>	139,003	<b>95,153</b>	139,003
Other creditors	<b>361,069</b>	351,015	<b>361,058</b>	356,615
	<b>877,972</b>	1,026,476	<b>831,328</b>	959,256

**21. Financial instruments**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>1,257,449</b>	992,524	<b>1,242,439</b>	1,066,155
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(782,819)</b>	(887,473)	<b>(736,175)</b>	(820,253)

Financial assets measured at amortised cost comprise loans to associates, trade debtors, amounts owed by group undertakings, current assets investments and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

**22. Called up share capital**

	<b>2018 £</b>	<b>2017 £</b>
<b>Allotted, called up and fully paid</b>		
116,291,429 (2017: 114,239,564) A Ordinary shares of £0.001 each	<b>116,292</b>	114,240
37,990,090 (2017: 37,990,090) A Preference shares of £0.001 each	<b>37,990</b>	37,990
42,541,180 (2017: 42,541,180) B Investment shares of £0.001 each	<b>42,541</b>	42,541
24,726,930 (2017: 24,726,930) B Preference shares of £0.001 each	<b>24,727</b>	24,727
6,844,623 (2017: 6,844,623) C preference shares of £0.001 each	<b>6,844</b>	6,844
	<b>228,394</b>	226,342



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**22. Called up share capital (continued)**

On 25 January 2018, 83,849 A Ordinary shares nominal value of £0.001 per share were issued at £0.045 per share.

On 15 March 2018, 24,900 A Ordinary shares nominal value of £0.001 per share were issued at £0.045 per share.

On 1 August 2018, 1,943,116 A Ordinary shares nominal value of £0.001 per share were issued at £0.022772 per share.

All classes of share rank pari passu as respects dividend distribution.

On return of assets on liquidation, reduction of capital, or otherwise the assets of the company remaining after payment of its liabilities are distributed first to holders of A preference shares, B preference shares and C preference shares on a pari passu basis, in priority to all other shareholders, an amount equal to their subscription price, any unpaid dividends and in addition to all shareholders their pro rata share of £100. Thereafter, the balance is distributed to each of the holders of A ordinary shares and B investment shares.

**23. Reserves**

**Share premium account**

Share premium represents the amount subscribed for share capital in excess of the nominal value.

**Share based payment reserve**

Share based payment reserve represents the fair value of options granted at grant date.

**Foreign exchange reserve**

Foreign exchange reserve represents foreign exchange variances on acquisition of Crowdcube Spain, S.L.

**Profit and loss account**

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

**24. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £97,387 (2017: £103,561).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**25. Commitments under operating leases**

At 30 September the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Not later than 1 year	<b>87,243</b>	163,172
Later than 1 year and not later than 5 years	<b>226,664</b>	25,164
	<b><u>313,907</u></b>	<b><u>188,336</u></b>

The Group had no other off-balance sheet arrangements.

**26. Transactions with directors**

At the year end, D Westlake owed the company £39,098 (2017: £39,098) in connection with drawings and unpaid share capital. This amount is included within other debtors.

At the year end, L Lang owed the company £19,079 (2017: £19,079) in connection with drawings and unpaid share capital. This amount is shown in other debtors.

**27. Ultimate parent undertaking and controlling party**

The company is not under the control of any one individual.

## CROWDCUBE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 28. Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name	Class of shares	Holding	Principal activity
Crowdcube Capital Limited	Ordinary	100 %	Provision of FCA regulated crowdfunder activities
Crowdcube Spain, S.L.	Ordinary	100 %	Provision of crowdfunding activities
JP Nominees Limited	Ordinary	100 %	Nominee company
Crowdcube Nominees Limited	Ordinary	100 %	Nominee company Provision of crowdfunding activities
Crowdfunder Limited	Ordinary	21.42 %	

All the above subsidiaries are included in the consolidation. The Company's investments in all subsidiaries is direct ownership.

Name	Registered office
Crowdcube Capital Limited	Fourth Floor, Broaquad House (South Block), Exeter, Devon, England, EX1 1TS
Crowdcube Spain, S.L.	Carrer de Rossell6 216, Planta 11, 08008, Barcelona
JP Nominees Limited	Fourth Floor, Broaquad House (South Block), Exeter, Devon, England, EX1 1TS
Crowdcube Nominees Limited	Fourth Floor, Broaquad House (South Block), Exeter, Devon, England, EX1 1TS
Crowdfunder Limited	First & Second Floor, 11 Cliff Road, Newquay, Cornwall, TR7 2NE