

Crowdcube Limited

Annual Report and Financial Statements

For the period ended 31 December 2022

Company Registration No. 07014587 (England and Wales)

Crowdcube Limited

Company Information

Directors	T B Bunting J N H Sibilia W T A Simmons S J Williams R M Feit M J Cooper L K Miller	(Appointed 15 February 2023) (Appointed 17 May 2023)
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Secretary	M Tyler
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Company number	07014587
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Registered office	Zetland House Clifton Street London England EC2A 4LD
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Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP
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Crowdcube Limited

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Crowdcube Limited

Strategic Report

For the period ended 31 December 2022

The directors present the strategic report for the period ended 31 December 2022.

Fair review of the business

The principal activity of the Group is the provision of a crowdfunding platform. The company changed its accounting period from 30 September to 31 December to align with the calendar year-end. The current financial period covers a period of 15 months, with comparatives for the previous year covering a 12-month period. The change has been accounted for retrospectively and has not had a material impact on the financial position or performance of the company or its accounting policies. The impact of the change has been disclosed in the notes to the financial statements, in accordance with Section 3.10 of FRS 102.

During the period the Group delivered a £2,802,177 increase in turnover over the 15 months to 31 December 2022.

The Group made an operating loss for the 15 month period of £8,771,083 compared to an operating loss of £802,020 in the prior 12 month period in the face of the challenging conditions posed by the ongoing COVID-19 Pandemic.

At the Balance Sheet date the Group's net cash position was £10,781,781 (2021: £5,316,019), and the net assets were £13,629,633 (2021: £7,975,644).

Principal risks and uncertainties

Competition risk

This 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 marketing to help mitigate this risk.

Regulatory risk

Crowdcube Capital Limited is regulated by the Financial Conduct Authority in the UK and Crowdcube Spain S.L. is regulated by National Securities Markets Commissions in Spain. The withdrawal of regulatory authorisations, or the transfer of regulatory oversight to a new regulatory authority, 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.

Economic risk

The Group is actively managing a shift in focus and value proposition to better support clients who continue to demonstrate resilience to national and international economic changes. The Group continues to monitor the wider economic and inflationary pressures and continues to mitigate against the complex, uncertain and rapidly evolving environment.

Employees

The Group is committed to the involvement of all employees in the business. Directors 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.

Crowdcube Limited

Strategic Report (Continued)

For the period ended 31 December 2022

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.

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.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that Crowdcube Limited will continue its operations for the foreseeable future, typically within the next 12 months from the date of these financial statements. This assessment is based on management's judgment, supported by an evaluation of current and expected future economic and operational conditions. Management has considered the following factors in making this assessment:

- 1) Historic Performance
- 2) Current Financial Position
- 3) Cash Flow Projections
- 4) Fundraising Arrangements
- 5) Contingencies

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:

- Revenue of £14,550,595 (2021: £11,748,418)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) loss of £8,867,413 (2021: £848,870)
- Net cash flow from operating activities of £6,729,169 outflow (2021: £407,223 outflow) and the cash position of £10,781,781 (2021: £5,316,019)

EBITDA reconciles to loss for the financial year as follows:

	2022	2021
	£	£
Loss for the financial year	(8,771,083)	(802,020)
Amortisation of intangible assets	-	1
Depreciation of tangible assets	130,588	65,934
Interest expense	-	-
Tax credit	(226,918)	(112,785)
EBITDA Loss	<u>(8,867,413)</u>	<u>(848,870)</u>

Crowdcube Limited

Strategic Report (Continued)

For the period ended 31 December 2022

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of a Group to act in the way he or she considers, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters;

- to the likely consequences of any decisions in the long-term;
- interests of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and others;
- impact of the Group's operations on the community and environment;
- desirability of the Group maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Group.

While the activities of the Group remain limited in scope, the following sections summarise how the Directors fulfil their duties:

Business Relationships and Standards

Our strategy continues to be focused on building long term, sustainable relationships with both our SME clients and platform investors. We seek to promote repeat business in the form of returning raises and multiple on platform investments. In order to support this ambition we continually seek to optimise both our technology and processes through regular review, development and customer feedback. Due to the structural nature of the Group we have a limited number of suppliers, primarily payment processing, through which we maintain close and collaborative working relationships through exclusive or multi-year contracts.

Specific actions include:

- Customer satisfaction surveys are sent to all successful fundraising companies to obtain feedback on quality of service, opportunities for improvement and overall experience
- Embedded feedback tools are used to gain insights into all aspects of the investor journey and overall product experience and customer satisfaction
- New product features are regularly released including updates to AML to improve the investor onboarding experience, early access options to connect companies and investors earlier in the process and preparation of a seamless customer journey for investors in Europe to name a few

Crowdcube Limited

Strategic Report (Continued)

For the period ended 31 December 2022

Risk Management

With regulated entities in both the UK and EU serving the Group, particular attention is paid to both regulatory and market risk. All strategic and long term decision making is considered within this wider context as noted within the 'Principal Risks and uncertainties' sections of the Strategic Report.

Specific actions include:

- Approximately two weeks before each board meeting (every two months), the Head of Compliance and General Counsel meet to review: the draft risk register, the current breach register and the current complaint register. Existing risks are discussed and revised as necessary, new risks included and any material items from the breach or complaints register noted. Process also includes input from CFO and VP Finance, where required. Risk register circulated with board pack and discussed and noted at each board meeting.
- Membership is maintained within two leading industry associations, the UK Crowdfunding Association and the European Crowdfunding Network. These groups provide a forum for outlining best practices, sharing knowledge and promoting greater transparency across the wider market.
- Each year an annual review of client asset and fund procedures is reported to the directors along with the completion of the Internal Capital Adequacy Assessment Process (ICAAP) and associated risk assessments.

A director of a Group must act in the way he considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequence of any decision in the long term;
- b. the need to foster the Companies' business relationships with suppliers, customers and others; and
- c. the desirability of the Group maintaining a reputation for high standards of business conduct.

Employees

Employee engagement and support continues to be a top priority within Crowdcube. This covers all areas from employee benefits, progression, mental wellbeing, diversity & inclusion (D&I) as well as learning and development.

Specific actions include:

- Dedicated personal and professional development platform, "Sunlight" and annual £1,000 per employee budget.
- In house trained mental well-being first aiders and third party support.
- D&I initiatives and regular company updates championed by our CEO.
- Monthly team meetings with regular updates on company performance, product development, new hires and deal pipeline.
- Weekly team meetings with regular updates on company performance, product development, new hires and deal pipeline
- Private medical insurance, company matched pension and participation in the "Cycle to Work Scheme".

On behalf of the board

W T A Simmons
Director

22 December 2023

Crowdcube Limited

Directors' Report

For the period ended 31 December 2022

The directors present their annual report and financial statements for the period ended 31 December 2022.

Principal activities

The principal activity of the company and group continued to be that of the provision of a crowdfunding platform.

Results and dividends

The results for the period are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

T B Bunting	
J N H Sibillia	
W T A Simmons	
D M Westlake	(Resigned 27 January 2023)
S J Williams	
R M Feit	
M J Cooper	(Appointed 15 February 2023)
L K Miller	(Appointed 17 May 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Financial instruments

Market risk

The Group currently operates in a competitive and diverse equity financing market including crowdfunding platforms, angel networks, and traditional institutional investors. While this remains a competitive environment, the Group continues to deliver revenue growth through overall market growth as well as increased market share.

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 Company and its subsidiaries remains focused on capturing market share in the equity funding market in the UK and EU and is expecting consistent revenue growth in the financial period ended 31 December 2022 trading environment.

On 31 October 2023 the company purchased the entire share capital of Semper SAS, a company registered in France, for €3.1m by way of a share-for-share exchange.

Crowdcube Limited

Directors' Report (Continued)

For the period ended 31 December 2022

Auditor

Moore Kingston Smith LLP were reappointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Section 172 (1) statement

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of Section 172 (1) disclosures.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

Offices outside the UK

The Group operates an office in Spain which is regulated by the National Securities Markets Commission, and has subsidiaries in France and Sweden.

On behalf of the board

W T A Simmons

Director

22 December 2023

Crowdcube Limited

Directors' Responsibilities Statement

For the period ended 31 December 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. They 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.

Crowdcube Limited

Independent Auditor's Report

To the Members of Crowdcube Limited

Opinion

We have audited the financial statements of Crowdcube Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Crowdcube Limited

Independent Auditor's Report (Continued)

To the Members of Crowdcube Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Crowdcube Limited

Independent Auditor's Report (Continued)

To the Members of Crowdcube Limited

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowdcube Limited

Independent Auditor's Report (Continued)

To the Members of Crowdcube Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

Thomas Moore (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

22 December 2023

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Crowdcube Limited

Group Statement of Comprehensive Income

For the period ended 31 December 2022

		Period ended 31 December 2022 £	Year ended 30 September 2021 £
	Notes		
Turnover	3	14,550,595	11,748,418
Cost of sales		(6,206,475)	(3,812,522)
Gross profit		8,344,120	7,935,896
Administrative expenses		(17,352,401)	(8,857,054)
Other operating income		10,280	6,353
Loss before taxation		(8,998,001)	(914,805)
Tax on loss	8	226,918	112,785
Loss for the financial period		(8,771,083)	(802,020)
Other comprehensive income			
Currency translation differences		-	(9,706)
Total comprehensive income for the period		(8,771,083)	(811,726)

Loss for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

Crowdcube Limited

Group Balance Sheet

As at 31 December 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	9	1,016,100		1,016,100	
Tangible assets	10	444,830		259,112	
		<u>1,460,930</u>		<u>1,275,212</u>	
Current assets					
Debtors	13	2,648,653		2,235,262	
Investments	14	54,222		49,904	
Cash at bank and in hand		10,781,781		5,316,019	
		<u>13,484,656</u>		<u>7,601,185</u>	
Creditors: amounts falling due within one year	15	<u>(1,315,953)</u>		<u>(900,753)</u>	
Net current assets		<u>12,168,703</u>		<u>6,700,432</u>	
Net assets		<u><u>13,629,633</u></u>		<u><u>7,975,644</u></u>	
Capital and reserves					
Called up share capital	18	299,486		264,778	
Share premium account		43,443,433		30,960,336	
Share-based payment reserve		5,653,075		3,745,808	
Profit and loss reserves		<u>(35,766,361)</u>		<u>(26,995,278)</u>	
Total equity		<u><u>13,629,633</u></u>		<u><u>7,975,644</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

W T A Simmons
Director

Crowdcube Limited

Company Balance Sheet

As at 31 December 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	9	1,016,100		1,016,100	
Tangible assets	10	402,950		250,822	
Investments	11	3,357,223		3,285,896	
		<u>4,776,273</u>		<u>4,552,818</u>	
Current assets					
Debtors	13	3,342,779		2,190,621	
Investments	14	50,521		46,324	
Cash at bank and in hand		7,531,558		2,768,871	
		<u>10,924,858</u>		<u>5,005,816</u>	
Creditors: amounts falling due within one year	15	<u>(1,124,640)</u>		<u>(862,722)</u>	
Net current assets		<u>9,800,218</u>		<u>4,143,094</u>	
Net assets		<u><u>14,576,491</u></u>		<u><u>8,695,912</u></u>	
Capital and reserves					
Called up share capital	18	299,486		264,778	
Share premium account		43,443,433		30,960,336	
Share-based payments reserve		5,653,075		3,745,808	
Profit and loss reserves		<u>(34,819,503)</u>		<u>(26,275,010)</u>	
Total equity		<u><u>14,576,491</u></u>		<u><u>8,695,912</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £8,544,493 (2021 - £1,157,518 loss).

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

W T A Simmons
Director

Company Registration No. 07014587

Crowdcube Limited

Group Statement of Changes in Equity For the period ended 31 December 2022

	Share capital	Share premium account	Foreign exchange reserve	Share-based payment reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 October 2020	261,547	30,905,595	(59,145)	2,604,556	(26,124,407)	7,588,146
Period ended 30 September 2021:						
Loss for the period	-	-	-	-	(802,020)	(802,020)
Other comprehensive income:						
Currency translation differences	-	-	-	-	(9,706)	(9,706)
Total comprehensive income for the period	-	-	(59,145)	-	(811,726)	(811,726)
Issue of share capital	18	3,231	54,741	-	-	57,972
Transfers	-	-	59,145	-	(59,145)	-
Credit to equity for equity settled share-based payments	-	-	-	1,141,252	-	1,141,252
Balance at 30 September 2021	264,778	30,960,336	-	3,745,808	(26,995,278)	7,975,644
Period ended 31 December 2022:						
Loss and total comprehensive income for the period	-	-	-	-	(8,771,083)	(8,771,083)
Issue of share capital	18	34,708	12,483,097	-	-	12,517,805
Credit to equity for equity settled share-based payments	-	-	-	1,907,267	-	1,907,267
Balance at 31 December 2022	299,486	43,443,433	-	5,653,075	(35,766,361)	13,629,633

Transfers

The directors have taken the decision to combine the Foreign Exchange reserve and the Profit & Loss reserve as allowed by FRS102.

Crowdcube Limited

Company Statement of Changes in Equity

For the period ended 31 December 2022

		Share capital	Share premium account	Share-based payment reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 October 2020		261,547	30,905,595	2,604,556	(25,117,492)	8,654,206
Period ended 30 September 2021:						
Loss and total comprehensive income for the period		-	-	-	(1,157,518)	(1,157,518)
Issue of share capital	18	3,231	54,741	-	-	57,972
Credit to equity for equity settled share-based payments		-	-	1,141,252	-	1,141,252
Balance at 30 September 2021		264,778	30,960,336	3,745,808	(26,275,010)	8,695,912
Period ended 31 December 2022:						
Loss and total comprehensive income for the period		-	-	-	(8,544,493)	(8,544,493)
Issue of share capital	18	34,708	12,483,097	-	-	12,517,805
Credit to equity for equity settled share-based payments		-	-	1,907,267	-	1,907,267
Balance at 31 December 2022		299,486	43,443,433	5,653,075	(34,819,503)	14,576,491

Crowdcube Limited

Group Statement of Cash Flows

For the period ended 31 December 2022

		Period ended 31 December 2022		Year ended 30 September 2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	23		(6,853,816)		(520,008)
Income taxes refunded			124,620		112,785
Net cash outflow from operating activities			(6,729,196)		(407,223)
Investing activities					
Purchase of intangible assets		-		(7,323)	
Purchase of tangible fixed assets		(318,529)		(81,237)	
Proceeds on disposal of tangible fixed assets		-		1,852	
Purchase of short term unlisted investments		(4,318)		(28,169)	
Net cash used in investing activities			(322,847)		(114,877)
Financing activities					
Proceeds from issue of shares		12,517,805		57,972	
Net cash generated from financing activities			12,517,805		57,972
Net increase/(decrease) in cash and cash equivalents			5,465,762		(464,128)
Cash and cash equivalents at beginning of period			5,316,019		5,780,147
Cash and cash equivalents at end of period			10,781,781		5,316,019

Crowdcube Limited

Notes to the Financial Statements

For the period ended 31 December 2022

1 Accounting policies

Company information

Crowdcube Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Zetland House, Clifton Street, London, England, EC2A 4LD.

The group consists of Crowdcube Limited and all of its subsidiaries.

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Crowdcube Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

The Group has £10.8m of cash held at the balance sheet date. Based on the forecast performance, 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.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Reporting period

The accounting period has been extended to include the 15 months from 1 October 2021 to 31 December 2022, in order to align the financial statements with the calendar year. The comparative amounts are for a period of 12 months.

1.6 Turnover

Turnover is comprised of Commission Fees, Completion Fees, Investment Fees and Secondary Fees. Commission fees, completion fees and secondary fees are payable by the raising company and deducted from funds raised during the closing of the round. Investment fees are paid by the investor and reflect an additional fee on top of the pledged investment sum or the transaction amount. These fees are similarly taken at source during the completions and drawn down process.

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

For all four revenue streams, turnover is recognised once the funding requirements of a raise has been achieved, following a seven day cooling off period, in which investors can withdraw. Since the revenue earned is contingent upon a successful raise, turnover is not recognised until there both a successful raise and the seven day cooling off period has ended.

Other revenue of the Group and Company is invoiced in line with the relevant agreements and recognised as revenue on the invoice date.

Turnover policies are consistent across both the Group and the Company

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years, straight line.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years - straight line
Goodwill	5 years - straight line
Media rights	see below

Media rights

Media rights reflect consideration provided to Crowdcube by Channel Four Television Corporation in the form of media credits as part of a fundraising round. These media credits are initially measured at fair value of the equity instruments issued. Crowdcube has elected to amortise the intangible asset when the credits are utilised, as this is point at which the economic benefit is consumed. If those credits expire then the unused credits will be written off.

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	9.5 years - straight line
Office equipment	4 years - straight line
Computer equipment	4 years - straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company 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.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Current asset investments

Investments in unlisted 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 Group Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.13 Cash and cash equivalents

Cash is represented by cash in hand, cash held with our expense card provider Pleo, cash held with our payment processing provider Stripe and deposits with financial institutions. 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.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

Other financial assets

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

1 Accounting policies

(Continued)

1.20 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.22 Expenses

Cost of sales is comprised of all directly related costs to source, launch, fund and close a fundraising campaign. This includes directly attributable wages and benefits, payment processing costs and limited additional third party service providers.

Administrative expenses consist of all other non directly attributable costs. This includes all other wages and benefits, all other third party service providers, as well as all premise, IT and marketing costs.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

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 employees share schemes but does require inputs based on best estimates from management and third party professional advisers. Details of these assumptions and estimates are detailed in note 17.

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 the determination of the fair value of the CGUs based on relevant market comparables less the costs of disposal.

Accrued income

The Group estimates the level of investment withdrawals or amendments that will occur after the year end and adjusts accrued income accordingly. 98% is accrued for commission fees and 97% for investment and completion fees. These estimates are based on historic patterns and subject to judgement.

Recoverability of intercompany debtors

The directors assess the recoverability of intercompany debtors by considering the cash flows those entities are expected to generate over a period of time from both existing and prospective clients. These forecasts require the directors to make judgements about the probability and timing of revenue coming to fruition, changes to the cost base, and those balances which can be offset across the group.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Commission fees	9,020,990	7,728,306
Other fees	5,529,605	4,020,112
	<u>14,550,595</u>	<u>11,748,418</u>

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

3 Turnover and other revenue (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	13,058,163	10,952,510
Rest of Europe	1,492,432	795,908
	<u>14,550,595</u>	<u>11,748,418</u>

4 Operating loss

	2022 £	2021 £
Operating loss for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(214,311)	282
Depreciation of owned tangible fixed assets	130,588	65,934
Amortisation of intangible assets	-	1
Share-based payments	1,907,267	1,141,252
Operating lease charges	<u>618,610</u>	<u>181,724</u>

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	28,000	20,000
Audit of the financial statements of the company's subsidiaries	35,000	22,250
	<u>63,000</u>	<u>42,250</u>
For other services		
Other assurance services	39,000	23,000
Other taxation services	5,000	4,250
All other non-audit services	10,000	-
	<u>54,000</u>	<u>27,250</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
General & administrative	26	11	26	11
Marketing	10	6	8	5
Product & development	38	23	37	23
Commercial	53	39	40	34
	<u>127</u>	<u>79</u>	<u>111</u>	<u>73</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	9,885,464	4,879,062	8,909,646	4,603,377
Social security costs	1,423,577	614,243	1,139,606	549,238
Pension costs	319,071	131,007	310,490	131,007
	<u>11,628,112</u>	<u>5,624,312</u>	<u>10,359,742</u>	<u>5,283,622</u>

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	465,144	783,061
Company pension contributions to defined contribution schemes	20,505	-
Compensation for loss of office	180,213	-
Share based payments expense recognised	368,422	312,209
	<u>1,034,284</u>	<u>847,838</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

The number of directors who exercised share options during the year was 1 (2021 - 1).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 2 (2021 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	277,790	337,340
Company pension contributions to defined contribution schemes	9,662	4,752
	<u>287,452</u>	<u>342,092</u>

The highest paid director has exercised share options during the period.

The directors are considered to be key management personnel.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

8 Taxation

	2022	2021
	£	£
Current tax		
UK R&D tax relief	(235,643)	(112,785)
Foreign current tax	8,725	-
Total current tax	<u>(226,918)</u>	<u>(112,785)</u>

The actual credit for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	<u>(8,998,001)</u>	<u>(914,805)</u>
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	(1,709,620)	(173,813)
Tax effect of expenses that are not deductible in determining taxable profit	51,609	87,239
Tax effect of utilisation of tax losses not previously recognised	-	(26,476)
Unutilised tax losses carried forward	1,326,111	(67,545)
Permanent capital allowances in excess of depreciation	(63,941)	(29,059)
Research and development tax credit	(179,229)	(112,785)
Tax relief on share options	(44,666)	-
Share based payment charge	366,159	209,654
Effect of overseas tax rates	17,934	-
Other taxation	8,725	-
Taxation credit	<u>(226,918)</u>	<u>(112,785)</u>

The Company has tax losses carried forward of £28,961,213 as at 31 December 2022 (30 September 2021: £22,161,636) and no deferred tax asset has been recognised in respect of those losses.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

9 Intangible fixed assets

Group	Goodwill	Software	Media rights	Total
	£	£	£	£
Cost				
At 1 October 2021 and 31 December 2022	469,046	16,100	1,000,000	1,485,146
Amortisation and impairment				
At 1 October 2021 and 31 December 2022	469,046	-	-	469,046
Carrying amount				
At 31 December 2022	-	16,100	1,000,000	1,016,100
At 30 September 2021	-	16,100	1,000,000	1,016,100
Company		Software	Media rights	Total
		£	£	£
Cost				
At 1 October 2021 and 31 December 2022		16,100	1,000,000	1,016,100
Amortisation and impairment				
At 1 October 2021 and 31 December 2022		-	-	-
Carrying amount				
At 31 December 2022		16,100	1,000,000	1,016,100
At 30 September 2021		16,100	1,000,000	1,016,100

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

10 Tangible fixed assets

Group	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 October 2021	221,046	376,778	54,253	652,077
Additions	99,662	218,867	-	318,529
At 31 December 2022	320,708	595,645	54,253	970,606
Depreciation and impairment				
At 1 October 2021	75,621	263,091	54,253	392,965
Depreciation charged in the period	29,085	101,503	-	130,588
Exchange adjustments	-	2,223	-	2,223
At 31 December 2022	104,706	366,817	54,253	525,776
Carrying amount				
At 31 December 2022	216,002	228,828	-	444,830
At 30 September 2021	145,425	113,687	-	259,112
Company				
	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 October 2021	221,046	367,351	54,253	642,650
Additions	99,662	168,720	-	268,382
At 31 December 2022	320,708	536,071	54,253	911,032
Depreciation and impairment				
At 1 October 2021	75,621	261,954	54,253	391,828
Depreciation charged in the period	29,085	87,169	-	116,254
At 31 December 2022	104,706	349,123	54,253	508,082
Carrying amount				
At 31 December 2022	216,002	186,948	-	402,950
At 30 September 2021	145,425	105,397	-	250,822

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

11 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	12	-	-	3,357,223	3,285,896
Movements in fixed asset investments					
Group			Investments	Loans to subsidiaries	Total
			£	£	£
Cost or valuation					
At 1 October 2021 and 31 December 2022			9,084	-	9,084
Impairment					
At 1 October 2021 and 31 December 2022			9,084	-	9,084
Carrying amount					
At 31 December 2022			-	-	-
At 30 September 2021			-	-	-
Movements in fixed asset investments					
Company			Shares in subsidiaries	Loans to subsidiaries	Total
			£	£	£
Cost or valuation					
At 1 October 2021			3,285,896	-	3,285,896
Additions			71,327	175,365	246,692
Impairment			-	(175,365)	(175,365)
At 31 December 2022			3,357,223	-	3,357,223
Carrying amount					
At 31 December 2022			3,357,223	-	3,357,223
At 30 September 2021			3,285,896	-	3,285,896

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

12 Subsidiaries and related undertakings

Details of the company's subsidiaries and related undertakings at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Crowdcube Capital Limited	Fourth Floor, Broadwalk House (South Block), Exeter, Devon, EX1 1TS, England	Provision of crowdfunding platform	Ordinary	100
Crowdcube Europe SLU	Carrer de Rossell 6216, Planta 11, 08008, Barcelona, Spain	Provision of crowdfunding platform	Ordinary	100
Crowdcube Nominees Limited	Fourth Floor, Broadwalk House (South Block), Exeter, Devon, EX1 1TS, England	Nominee company	Ordinary	100
Crowdcube Nominees (Europe) Limited	Connaught House, One Burlington Rd, Dublin 4, D04 C5Y6, Ireland	Nominee company	Ordinary	100
Crowdcube France SAS	9 Rue des Colonnes, 75002, Paris, France	Provision of crowdfunding platform	Ordinary	100
Crowdfunder Limited	5-7 The Crescent, Newquay, TR7 1DT, England	Provision of crowdfunding activities	Ordinary	23
Crowdcube Sverige AB	Norrskan House, Birger Jarlsgatan 57, 113 56 Stockholm	Provision of crowdfunding activities	Ordinary	100

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

Crowdcube Nominee Limited and Crowdcube Nominees (Europe) Limited were dormant entities during the period ended 31 December 2022 and exempt from audit.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

13 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	266,355	158,642	3,415	19,638
Corporation tax recoverable	102,298	-	99,021	-
Amounts owed by group undertakings	-	-	1,117,223	276,904
Other debtors	152,480	258,367	114,061	222,376
Prepayments and accrued income	2,094,434	1,818,253	1,975,973	1,671,703
	<u>2,615,567</u>	<u>2,235,262</u>	<u>3,309,693</u>	<u>2,190,621</u>
Amounts falling due after more than one year:				
Other debtors	<u>33,086</u>	<u>-</u>	<u>33,086</u>	<u>-</u>
Total debtors	<u>2,648,653</u>	<u>2,235,262</u>	<u>3,342,779</u>	<u>2,190,621</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Other debtors includes a security deposit of £33,086 (2021: £nil) paid under one of the office leases and recoverable in more than one year.

14 Current asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Unlisted investments	<u>54,222</u>	<u>49,904</u>	<u>50,521</u>	<u>46,324</u>

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

15 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	252,963	222,150	224,875	212,528
Other taxation and social security	313,346	355,229	259,275	326,820
Other creditors	192,969	93,049	140,797	93,049
Accruals and deferred income	556,675	230,325	499,693	230,325
	<u>1,315,953</u>	<u>900,753</u>	<u>1,124,640</u>	<u>862,722</u>

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

16 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	319,071	131,007

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

17 Share-based payment transactions

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:

Group	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022	2021
Outstanding at 1 October 2021	34,095,390	27,453,828	£0.070	£0.063
Granted	4,650,000	11,217,231	£0.115	£0.073
Forfeited	(3,253,549)	(1,344,955)	£0.075	£0.073
Exercised	(4,498,390)	(3,230,714)	£0.058	£0.017
Outstanding at 31 December 2022	30,993,451	34,095,390	£0.078	£0.07
Exercisable at 31 December 2022	17,894,896	14,619,721	£0.072	£0.066

The options outstanding at 31 December 2022 had an exercise price ranging from £0.026 to £0.4577, and a remaining contractual life of up to 4 years.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

17 Share-based payment transactions

(Continued)

Group

Equity settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant using a Black-Scholes options pricing model. 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.

The Group also includes a share based payment charge depending on the level of staff retention, this has been based on the previous 3 years staff retention average.

Inputs were as follows:

	2022	2021
Expected life of options	4.00	4.00
Range of exercise prices (per option)	£0.01 - £0.12	£0.07 - £0.07
Market value of underlying shares	£0.46	£0.29
Risk free rate	0.51%	0.48%
Expected share price volatility	40%-55%	40%-55%
Range of fair values per option	£0.20 - £0.36	£0.22 - £0.23

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Expenses recognised in the period				
Arising from equity settled share based payment transactions	1,907,267	1,141,252	1,835,940	1,103,443

18 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid	'000s	'000s		
A Ordinary of 0.1p each	134,861	125,212	159,920	125,212
A Preference of 0.1p each	37,990	37,990	37,990	37,990
B Investment of 0.1p each	51,374	51,181	51,181	51,181
B Preference of 0.1p each	24,727	24,727	24,727	24,727
C Preference of 0.1p each	35,133	10,267	10,267	10,267
D 1 Preference of 0.1p each	9,925	9,925	9,925	9,925
D 2 Preference of 0.1p each	5,476	5,476	5,476	5,476
	299,486	264,778	299,486	264,778

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

18 Share capital

(Continued)

On a 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 D 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; and
- second 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, B Investment and D Preference shares on a pari passu basis.

On 4 November 2021, 62,501 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share.

Between 23 November 2021 and 13 December 2021, 21,957,612 C Preference shares with a nominal value of £0.001 per share were issued for a consideration of £0.4577 per share, 881,064 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.026 per share, 593,882 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.045 per share, 491,586 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share.

Between 13 December 2021 and 15 February 2022, 40,000 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.045 per share, 192,924 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share, 727,449 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.4577 per share, 4,109,616 B Investment shares with a nominal value of £0.001 per share were issued for a consideration of £0.4577 per share.

Between 13 December 2021 and 29 June 2022, 125,568 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share, 184,344 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.045 per share.

Between 06 May 2022 and 26 October 2022, 1,470,883 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share.

Between 26 October 2022 and 14 November 2022, 410,958 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share.

On 29 November 2022, 56,251,958 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share.

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

19 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	230,845	377,104	201,439	377,104
Between two and five years	710,084	94,775	710,084	94,775
In over five years	6,830	-	6,830	-
	<u>947,759</u>	<u>471,879</u>	<u>918,353</u>	<u>471,879</u>

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

20 Related party transactions

During the period an amount of £39,098 was written off a loan to one of the directors. At the year end the amount owed to the company was £nil (2021: £39,098).

The company purchased data engineering and analytics services with expenses totaling £106,590 from Big Business Intelligence Limited, a company with a common director. At year end, a balance of £9,690 was owed to the company.

21 Controlling party

There is no individual controlling party.

22 Post balance sheet events

On 31 October 2023 the company purchased the entire share capital of Semper SAS, a company registered in France, for €3.1m by way of a share-for-share exchange.

Between 1 March 2023 and 11 May 2023, 810,318 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.073 per share, 53,880 A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.045 per share, 13,541, A Ordinary shares with a nominal value of £0.001 per share were issued for a consideration of £0.115 per share.

23 Cash absorbed by group operations

	2022	2021
	£	£
Loss for the period after tax	(8,771,083)	(802,020)
Adjustments for:		
Taxation credited	(226,918)	(112,785)
Unrealised currency translation	2,223	(9,706)
Amortisation and impairment of intangible assets	-	1
Depreciation and impairment of tangible fixed assets	130,588	65,934
Equity settled share based payment expense	1,907,267	1,141,252
Movements in working capital:		
Increase in debtors	(311,093)	(757,856)
Increase/(decrease) in creditors	415,200	(44,828)
Cash absorbed by operations	(6,853,816)	(520,008)

Crowdcube Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

24 Analysis of changes in net funds - group

	1 October 2021	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	5,316,019	5,465,762	10,781,781
	<u>5,316,019</u>	<u>5,465,762</u>	<u>10,781,781</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.