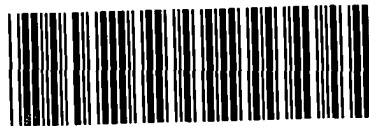


SOCIAL STOCK EXCHANGE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

THURSDAY



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COMPANIES HOUSE

SOCIAL STOCK EXCHANGE LIMITED

COMPANY INFORMATION

Directors	C Burkhart S Brenninkmeijer O de Duve	(Appointed 20 September 2016)
Secretary	P Burniston	(Resigned 31 October 2017)
Company number	06312190 (England and Wales)	
Registered office	1 Primrose Street London EC2A 2EX	
Auditor	Welbeck Associates 30 Percy Street London W1T 2DB	
Business address	1 Primrose Street London EC2A 2EX	

SOCIAL STOCK EXCHANGE LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

SOCIAL STOCK EXCHANGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of the company is to promote and develop the impact investment market by supporting pro-social and pro-environmental enterprises raise capital by connecting them with like-minded investors through the operation of the company's impact assessment framework.

Directors

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

C S Melvin	(Resigned 25 June 2017)
J Perry	(Resigned 2 May 2018)
T Carruthers	(Resigned 30 September 2017)
C Burkhart	
S Brenninkmeijer	
J Elkington	(Resigned 23 June 2017)
O de Duve	(Appointed 20 September 2016)

Auditor

The auditor, Welbeck Associates, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

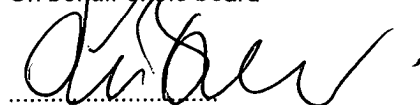
Statement of disclosure to auditor

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 company's auditor 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 company's auditor is aware of that information.

Small Companies Regime

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



S Brenninkmeijer

Director

Date: 5 JULY 2018

SOCIAL STOCK EXCHANGE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2017

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, Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOCIAL STOCK EXCHANGE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOCIAL STOCK EXCHANGE LIMITED

Opinion

We have audited the financial statements of Social Stock Exchange Limited (the 'company') for the year ended 31 July 2017 set out on pages 5 to 12. 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 company's affairs as at 31 July 2017 and of its loss for the year 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 company 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.

Material uncertainty related to going concern

We draw your attention to note 1.2 in the financial statements, which indicates that the Company continues to be loss making and depends on continuing support from its investors. As stated in note 1.2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

SOCIAL STOCK EXCHANGE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOCIAL STOCK EXCHANGE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Bradley-Hoare (Senior Statutory Auditor)

for and on behalf of Welbeck Associates

Chartered Accountants

Statutory Auditor

30 Percy Street

London

W1T 2DB

5/7/18

SOCIAL STOCK EXCHANGE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2017

		2017	2016
	Notes	£	(Restated)
			£
Turnover		531,470	434,076
Cost of sales		(165,930)	(106,674)
		<hr/>	<hr/>
Gross profit		365,540	327,402
Administrative expenses		(1,527,301)	(1,080,274)
		<hr/>	<hr/>
Operating loss		(1,161,761)	(752,872)
Interest payable and similar expenses		(169)	(2,776)
		<hr/>	<hr/>
Loss before taxation		(1,161,930)	(755,648)
Tax on loss		-	-
		<hr/>	<hr/>
Loss for the financial year		<u>(1,161,930)</u>	<u>(755,648)</u>

There are no items of other comprehensive income.

SOCIAL STOCK EXCHANGE LIMITED

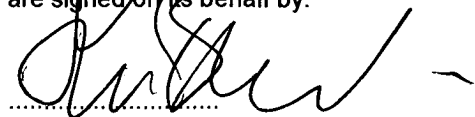
BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	£	2016 (Restated) £	£
Non-current assets					
Intangible assets	3		13,141		16,465
Tangible assets	4		5,836		8,639
Current assets					
Debtors	5	215,100		106,539	
Cash at bank and in hand		176,616		200,073	
			391,716		306,612
Creditors: amounts falling due within one year	6	(261,397)		(280,988)	
Net current assets			130,319		25,624
Total assets less current liabilities			149,296		50,728
Capital and reserves					
Called up share capital	7		24,196		18,900
Share premium account			4,927,447		3,671,802
Profit and loss reserves			(4,802,347)		(3,639,974)
Total equity			149,296		50,728

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 5/7/18 and are signed on its behalf by:



S Brenninkmeijer
Director

Company Registration No. 06312190

SOCIAL STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

Social Stock Exchange Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Primrose Street, London, EC2A 2EX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company continues to be loss-making, but it has embarked on a new business model which involves licencing its IP to other exchanges rather than relying on membership fees. The directors are of the view that the company will have the resources to continue its activities for at least the next twelve months and as such continue to adopt the going concern basis of accounting.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts and settlement discounts.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 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 if the fair value can be measured reliably.

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:

Development Costs	25% straight line
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SOCIAL STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies ... continued

1.6 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:

Fixtures, fittings & equipment	25% straight line
Computer equipment	25% 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 credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

Recoverable amount is the higher of fair value less costs to sell and value in use.

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

1.8 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

SOCIAL STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies ... continued

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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.

1.10 Equity instruments

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

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

SOCIAL STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies ... continued

1.12 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.

1.13 Retirement benefits

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

1.14 Grants received

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (excluding Non-Executive directors) employed by the company during the year was: 12.

3 Intangible assets

	Development costs £
Cost	
At 1 August 2016	25,295
Additions	4,000
	<hr/>
At 31 July 2017	29,295
	<hr/>
Amortisation and impairment	
At 1 August 2016	8,830
Amortisation charged for the year	7,324
	<hr/>
At 31 July 2017	16,154
	<hr/>
Carrying amount	
At 31 July 2017	13,141
	<hr/>
At 31 July 2016	16,465
	<hr/>

SOCIAL STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

4 Tangible fixed assets

Plant and machinery £

Cost

At 1 August 2016

20,924

Additions

1,741

At 31 July 2017

22,665

Depreciation and impairment

At 1 August 2016

12,285

Depreciation charged in the year

4,544

At 31 July 2017

16,829

Carrying amount

At 31 July 2017

5,836

At 31 July 2016

8,639

5 Debtors

2017

2016

Amounts falling due within one year:

£

£

Trade debtors

88,303

78,230

Other debtors

126,797

28,309

215,100

106,539

6 Creditors: amounts falling due within one year

2017

2016

£

£

Trade creditors

108,482

134,668

Other creditors

152,915

146,320

261,397

280,988

7 Called up share capital

2017

2016

£

£

Ordinary share capital

Issued and fully paid

2,419,569 Ordinary shares of 1p each

24,196

18,900

SOCIAL STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

8 Prior Period Adjustment

The financial statements for the year ended 31 July 2016 have been restated to reflect sales and trade debtors recorded in the period in which the revenue accrues.

	2016	Adjustment	2016 restated
Income	477,638	(43,562)	434,076
Loss for the year	(712,086)	(43,562)	(755,648)
Retained earnings as at 1 August 2015	(2,790,618)	(93,708)	(2,884,326)
Retained earnings as at 31 July 2016	(3,502,704)	(137,270)	(3,639,974)

9 Events after the reporting date

Since the reporting period, shareholders have provided £240,000 of further funding by way of a zero interest non-callable loan with commitments to drawdown a further £101,000.

Since the year end, Social Stock Exchange have become a licensing entity. On the 26th January 2018, the company signed their first Licence Agreement with Impact Investing Network Ltd, a company set up by the existing management team, operating the existing membership community under the Social Stock Exchange brand.

10 Directors' transactions

During the year the Company entered into the following transactions with related parties:

John Elkington, Director of the Company, is also Chairman of Volans Ventures Limited. Volans Ventures Limited received a fee of £40,000 (2016: £40,000) during the year from the Company for John's services as Chair of the Admissions Panel.

SOCIAL STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017
