

Company Registration No. 06848016 (England and Wales)

SEEDRS LIMITED
GROUP ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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SEEDRS LIMITED

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SEEDRS LIMITED

COMPANY INFORMATION

Directors C Cadeira Da Silva (resigned 01 September 2022)
J A Lynn
S Rimmer (resigned 01 January 2022)
J D Kelisky
I McCaig (resigned 01 January 2023)
M D Brooker (resigned 01 January 2023)
J Kohout (appointed 15 November 2022)
M R Rich (appointed 01 September 2022)
E M Wiseman (appointed 01 January 2023)

Secretary L Moon (appointed 01 September 2022)

Company number 06848016

Registered Office Churchill House
142-146 Old Street
London
EC1V 9BW

Auditor Menzies LLP
Chartered Accountants & Statutory Auditor
Victoria House
50-58 Victoria Road
Farnborough
Hampshire
GU14 7PG

SEEDRS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report on the Group for the year ended 31 December 2022.

Review of the business

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

The Group's revenue is generated primarily from fees paid by businesses that raise investment on the platform. Revenue is also generated through investor transaction fees and realised fees on investment returns distributed to investors (Investor fees). Investor fees are a growing revenue stream for the Group and accounted for 17% of the Group's total revenue for the year.

Results and performance

The results of the Group for the year, as set out on page 12, show a decrease of 15% in revenue to £6,891,524 (2021: £8,142,779) and a 196% increased operating loss for the year at £7,993,767 (2021: £2,701,156). The shareholders' funds of the Group total £10,160,052 (2021: £8,788,334). The Group is in its growth phase and the Directors consider the results in line with their expectations and business plan.

The performance of the Group during 2022 was particularly affected by macro-economic conditions; high inflation, interest rates and the recessionary environment have translated into weaker revenues compared to the previous year where the platform achieved record levels of investment and fundraising activity. The Group's acquisition by OpenDeal Inc. (t/a Republic) has meant greater levels of investment into the business to reinforce its market-leading products and develop new technology, which it hopes to capitalise on going into the following years.

The Group received equity capital injections in the year amounting to £8.4m.

Business environment

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

In September 2022, the Group was acquired by OpenDeal Inc., which operates a leading U.S.-based platform for investing in private assets. Leveraging their operating expertise in each geographical area, the Republic group seeks to create the first global private investment platform and as such reinforce the wider democratisation of finance. As a result, Republic has and is expected to continue committing additional capital to the Group to invest in research and development, allowing for future growth and expansion.

Analysis of key performance indicators

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

	2022	2021
Revenue for the year	£6,891,524	£8,142,779
Operating loss for the year	£7,993,767	£2,701,156
Net Operating Profit Margin (%)	-116%	-33%

The Group's revenue decrease was driven by a combination of lower deal and investment volume, fees per deal and a drop in performance of other associated investor revenues. The loss for the year and resulting net profit margin however, is in greater part owing to the increased investment into core business operations, as well as development of growth initiatives, particularly in view of opportunities created by the acquisition.

Principal risks and uncertainties

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

SEEDRS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The macroeconomic risk can be split into two key factors; (i) inflation and interest rate rises and their impact on investors' willingness to invest both through the Seedrs platform and subsequently into portfolio companies; (ii) labour market constraints and other factors that may impact on portfolio company performance. The Directors continue to monitor the situation and adjust the Group's business plans and objectives accordingly, including stress-testing and downside scenarios.

On top of macroeconomic uncertainty, the Group continues to monitor the risks posed by regulatory change which, if far-reaching, have the potential to significantly impact the business.

In reference to the above KPIs and the rest of the annual accounts, the Group has demonstrated agility and flexibility in light of its business model and its operations, post-acquisition, accommodating to the challenges and mitigating the risks presented.

Commitment to stakeholders – Section 172 Statement

Section 172 of the Companies Act 2006 requires the Directors to act in the way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

The Board recognises that the Group, as an online investment platform, plays an important part in the shaping the future of all our stakeholders, which includes our clients, both investors and entrepreneurs, our subsidiaries, our ultimate shareholders, and our people. We focus on doing the right thing by all our stakeholders and are committed to delivering positive outcomes for all.

Future developments

The Group aims, as part of the wider Republic group, to grow significantly over the coming year, investing in research and development and European expansion, whilst also improving efficiencies in its core engine and strengthening its main products and services.

On behalf of the Board



J. O. Kelly
Director

27/4/23
Date:

SEEDRS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Registered No. 06848016

The Directors present their Annual Report on the Group and parent Company financial statements for the year ended 31 December 2022.

Directors

The following directors have held office since 1 January 2022:

C Cadeira Da Silva (resigned 01 September 2022)
J A Lynn
S Rimmer (resigned 01 January 2022)
J D Kelisky
I McCaig (resigned 01 January 2023)
M D Brooker (resigned 01 January 2023)
J Kohout (appointed 15 November 2022)
M R Rich (appointed 01 September 2022)
E M Wiseman (appointed 01 January 2023)

Proposed dividend

The directors do not recommend the payment of a dividend for the financial year ended 31 December 2022 (2021: £nil). There were no political donations made in 2022 (2021: £nil).

Research and development and future developments

Details of research and development and future developments are provided in the strategic report on page 5.

Matters covered in the strategic report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he / she ought to have taken as a Director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Employee engagement and business relationships

The Group's employees are critical to its success and the Group aims to be a responsible employer, operating on the values of integrity, innovation, respect and collaboration. The Group engages with its employees through a number of different forums and channels, including bi-annual employee engagement surveys, monthly pulse surveys, regular company meetings, townhalls and newsletters. Management at all levels is encouraged to engage with and seek feedback from employees in order that the Group can better support and develop its employees.

Going Concern

The Group received equity capital injections of £8.4m in the year and a further £2m in March 2023, giving the Group adequate resources to manage its business risks and to continue as a going concern for a period of not less than 12 months from the date that the financial statements are approved. The directors have prepared the financial statements on a going concern basis.

Auditors

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

On behalf of the Board


J D Kelsky
Director
SEEDRS LIMITED

Churchill House
142-146 Old Street
London
EC1V 9BW

Date: 21/4/23

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard (March 2018 revision)* applicable in the UK and Republic of Ireland.

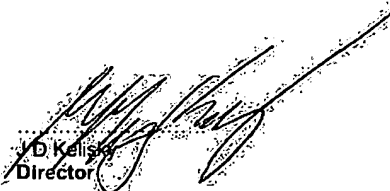
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the parent Company and of their profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

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

On behalf of the board


J.D. Kelis
Director
21/9/23

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEEDRS LIMITED

Opinion

We have audited the financial statements of Seedrs Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group profit and loss and other comprehensive income statement, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 of the parent Company's affairs as at 31 December 2022 and of the group's 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year 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 Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 8, 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 the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the laws and regulations that were most significant included UK Companies Act, employment law, health and safety, pensions legislation, GDPR, tax legislation and the Client Money regulations issued by the FCA. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement director assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - Posting of unusual journals and complex transactions.
 - Lack of segregation of duties in the accounts department.
 - Management of Client Money accounts.
 - Recognition of transactions relating to share based payments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 so that we might state to the Company's members those matters we are required to state to them in an auditors' 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.

DocuSigned by:

Mike Ayres

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Mike Ayres ACA (Senior statutory auditor)
for and on behalf of
Menzies LLP
Chartered Accountants
Statutory Auditor
Victoria House
50-58 Victoria Road
Farnborough
Hampshire GU14 7PG

24-Apr-2023

.....
Date:

SEEDRS LIMITED**CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 (restated) £
Revenue	5	6,891,524	8,142,779
Cost of sales		<u>(68,627)</u>	<u>(95,967)</u>
Gross profit		6,822,897	8,046,812
Administrative expenses		(15,069,254)	(10,747,968)
Other operating income	6	252,590	-
Operating loss	7	<u>(7,993,767)</u>	<u>(2,701,156)</u>
Exceptional items	8	(1,713,137)	(113,050)
Interest receivable and similar income	9	12,989	3,604
Loss of ordinary activities before taxation		<u>(9,693,915)</u>	<u>(2,810,602)</u>
Tax on loss on ordinary activities	10	<u>(5,168)</u>	<u>(3)</u>
Loss for the year		<u>(9,699,083)</u>	<u>(2,810,605)</u>
Other comprehensive income			
Exchange gains/(losses) arising on translation of foreign operations		(1,187)	1,379
Total comprehensive income		<u>(9,700,270)</u>	<u>(2,809,226)</u>

All amounts are from continuing operations

Notes on pages 19 to 39 form part of the financial statements

SEEDRS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Called-Up Share Capital	Share Premium	Capital Redemption Reserve	Non- Distributable Reserves	Profit and Loss Account	Total Equity
		£	£	£	£	£	£
At 1 January 2021		6,481	26,530,950	31	5,329,549	(24,425,021)	7,441,990
(Loss) for the year		-	-	-	-	(2,810,605)	(2,810,605)
Other comprehensive income		-	-	-	-	1,379	1,379
Total comprehensive income for the year		-	-	-	-	(2,809,226)	(2,809,226)
Transactions with owners, recorded directly in equity							
New shares issued		1,128	4,558,281	-	(4,387,443)	-	171,966
Reduction of shares	20	(13)	(1,749,987)	-	-	-	(1,750,000)
Share redemption costs	20	-	(207,123)	-	-	-	(207,123)
Share-based payments		-	-	-	586,814	-	586,814
Unissued shares		-	-	-	5,353,913	-	5,353,913
At 31 December 2021		7,596	29,132,121	31	6,882,833	(27,234,247)	8,788,334
(Loss) for the year		-	-	-	-	(9,699,083)	(9,699,083)
Other comprehensive income		-	-	-	-	(1,187)	(1,187)
Total comprehensive income for the year		-	-	-	-	(9,700,270)	(9,700,270)
Transactions with owners, recorded directly in equity							
New shares issued	20	2,012	9,551,992	-	(5,353,913)	-	4,200,091
Share-based payments	21	-	-	-	352,627	-	352,627
Options exercised	21	2,290	4,181,613	-	(1,828,968)	-	2,354,935
Advance against issue of shares	20	-	-	-	4,164,335	-	4,164,335
At 31 December 2022		11,898	42,865,726	31	4,216,914	(36,934,517)	10,160,052

Notes on pages 19 to 39 form part of the financial statements

SEEDRS LIMITED

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Called-Up Share Capital	Share Premium	Capital Redemption Reserve	Non- Distributable Reserves	Profit and Loss Account	Total Equity
		£	£	£	£	£	£
At 1 January 2021		6,481	26,530,950	31	5,329,549	(24,564,070)	7,302,941
(Loss) for the year		-	-	-	-	(2,784,791)	(2,784,791)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(2,784,791)	(2,784,791)
Transactions with owners, recorded directly in equity							
New shares issued		1,128	4,558,281	-	(4,387,443)	-	171,966
Reduction of shares	20	(13)	(1,749,987)	-	-	-	(1,750,000)
Share redemption costs	20	-	(207,123)	-	-	-	(207,123)
Share-based payments		-	-	-	586,814	-	586,814
Unissued shares		-	-	-	5,353,913	-	5,353,913
At 31 December 2021		7,596	29,132,121	31	6,882,833	(27,348,861)	8,673,720
(Loss) for the year		-	-	-	-	(9,502,887)	(9,502,887)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(9,502,887)	(9,502,887)
Transactions with owners, recorded directly in equity							
New shares issued	20	2,012	9,551,992	-	(5,353,913)	-	4,200,091
Share-based payments	21	-	-	-	352,627	-	352,627
Options exercised	21	2,290	4,181,613	-	(1,828,968)	-	2,354,935
Advance against issue of shares	20	-	-	-	4,164,335	-	4,164,335
At 31 December 2022		11,898	42,865,726	31	4,216,914	(36,851,748)	10,242,821

Notes on pages 19 to 39 form part of the financial statements

SEEDRS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022		2021	
	Note	£	£	£	£
Fixed assets					
Intangible assets	12		3,207,306		3,366,503
Property and equipment	13		171,407		125,872
Financial investments			<u>9,633</u>		<u>5,654</u>
			3,388,346		3,498,029
Current assets					
Debtors	17	2,306,697		2,035,167	
Cash at bank and in hand		<u>6,204,598</u>		<u>4,822,200</u>	
		8,511,295		6,857,367	
Creditors: amount falling due within one year	18	<u>(1,739,589)</u>		<u>(1,567,062)</u>	
Net current assets			<u>6,771,706</u>		<u>5,290,305</u>
Total assets less current liabilities			<u>10,160,052</u>		<u>8,788,334</u>
Capital and reserves					
Called up share capital	20		11,898		7,596
Share premium account			42,865,726		29,132,121
Other reserves	20		4,216,945		6,882,864
Profit and loss account			(36,934,517)		(27,234,247)
Shareholders' funds			<u>10,160,052</u>		<u>8,788,334</u>

Notes on pages 19 to 39 form part of the financial statements

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

Approved by the Board for issue on 21/04/23 and were signed on its behalf by:



J.D. Kelsby
Director

Company Registration No. 06848016

SEEDRS LIMITED**PARENT COMPANY STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	12	3,108,168	3,188,655
Property and equipment	13	171,407	124,279
Investments	16	<u>3</u>	<u>76,865</u>
		3,279,578	3,389,799
Current assets			
Debtors	17	2,406,650	1,996,164
Cash at bank and in hand		<u>6,171,713</u>	<u>4,752,853</u>
		8,578,363	6,749,017
Creditors: amount falling due within one year	18	<u>(1,615,120)</u>	<u>(1,465,096)</u>
Net current assets		<u>6,963,243</u>	<u>5,283,921</u>
Total assets less current liabilities		<u>10,242,821</u>	<u>8,673,720</u>
Capital and reserves			
Called up share capital	20	11,898	7,596
Share premium account		42,865,726	29,132,121
Other reserves	20	4,216,945	6,882,864
Profit and loss account		(36,851,748)	(27,348,861)
Shareholders' funds		<u>10,242,821</u>	<u>8,673,720</u>

The Company's loss for the year ended 31 December 2022 is £9,502,887.

Notes on pages 19 to 39 form part of the financial statements

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

Approved by the Board for issue on 21/04/23 and were signed on its behalf by:


D. Kelisky
Director

Company Registration No. 06848016

SEEDRS LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
		£	£
Cash flows from operating activities	Note		
Loss before tax		(9,693,915)	(2,810,602)
<i>Adjustments for:</i>			
Depreciation	13	84,025	44,513
Amortisation	12	1,425,121	972,734
Impairment		-	123,170
Provision for doubtful debts		(40,287)	(51,412)
Share-based payments	21	352,627	586,814
Interest receivable	9	(6,102)	(370)
(Profit)/Loss on disposals of property and equipment	13	11,046	(2,205)
<i>Working capital movements</i>			
(Increase)/decrease in receivables		(246,734)	48,118
Increase/(decrease) in payables		177,695	(76,149)
Tax (paid)/received		3	544
Net cash from operating activities		(7,936,521)	(1,164,845)
Cash flows from investing activities			
Purchases of property and equipment	13	(140,914)	(97,596)
Capitalisation of development expenditure	12	(1,262,656)	(1,116,154)
Proceeds from sale of property and equipment		1,812	2,290
Interest received	9	6,102	370
Net cash from investing activities		(1,395,656)	(1,211,090)
Cash flows from financing activities			
Proceeds from issue of shares		6,555,026	171,966
Reduction in share capital		-	(1,750,000)
Advance against issue of shares (net of costs)		4,164,335	5,146,789
Net cash from financing activities		10,719,361	3,568,755
Net increase/(decrease) in cash and cash equivalents		1,387,184	1,192,820
Effect of exchange rates on cash and cash equivalents		(4,785)	1,618
Opening cash at bank and in hand		4,822,200	3,627,762
Closing cash at bank and in hand		6,204,598	4,822,200

Notes on pages 19 to 39 form part of the financial statements

SEEDRS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT

FOR THE YEAR ENDED 31 DECEMBER 2022

	At 01 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	4,822,200	1,382,398	6,204,598
	<u>4,822,200</u>	<u>1,382,398</u>	<u>6,204,598</u>

Notes on pages 19 to 39 form part of the financial statements

SEEDRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Notes to the consolidated financial statements

1. General information

Seedrs Limited ('the parent Company') and its subsidiaries (together 'the Group') provide an online platform for investing in early stage and growth businesses. The parent Company's activities are regulated by the Financial Conduct Authority.

The parent Company is a private company limited by shares incorporated and registered in the United Kingdom. The registered office, which is also the principal place of business, is Churchill House, 142-146 Old Street, London, EC1V 9BW.

Following its acquisition completed on 01 September 2022, the parent Company is now a wholly-owned subsidiary of OpenDeal Inc. (1/a Republic). OpenDeal Inc.'s registered office is 10th Floor, 149 Fifth Avenue, New York City, New York 10010, United States.

2. Statement of compliance

These Group and parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

3. Accounting policies

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and parent Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3.1 Basis of preparation

Going concern

The financial statements are prepared on a going concern basis, under the historical cost convention, notwithstanding that the Group has reported an operating loss of £8.0m for the year to 31 December 2022 (2021: £2.8m) and operating cash outflow of £7.9m (2021: £1.2m). The Directors have prepared business plans and cash flow forecasts for a period beyond 12 months from the date of the approval of these financial statements, which indicate that, after taking account of reasonably possible downside scenarios, the Group will have sufficient financial resources to meet its regulatory capital requirements and meet its financial obligations as they fall due for a minimum of 12 months from the date of approving these financial statements.

As mentioned in the Strategic Report, the Group received equity capital injections amounting to £8.4m in the year.

The severe but plausible downside scenario assumes a 10% growth in revenue over the going concern period. The Directors deem this to be sufficiently conservative given the Group recorded a 15% decline in revenue from prior year in 2021 (2021: 54% revenue growth) despite the challenges presented by the current macroeconomic environment. As a result, the Directors remain confident in meeting the Group's targets however are mindful this is not guaranteed. As the Group is still in growth phase and has yet to generate a profit or positive operating cash flows, the assumptions within these long-term forecasts are judgmental and actual results may differ.

Whilst the current environment still brings uncertainty to the UK, the Directors believe that the risks to the business have been suitably considered and mitigated as demonstrated by the above-market performance over the past 36 months, including during previous COVID-19 lockdowns and macroeconomic uncertainty.

For the reasons set out, the Directors are confident that the Group will remain a going concern for a period of not less than 12 months from the date that the financial statements are approved.

SEEDRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.2 Basis of consolidation

The Group's financial statements consolidate the financial statements of the parent Company and all its subsidiary undertakings drawn up to 31 December each year. Under section 408 of the Companies Act 2006, the parent Company is exempt from the requirement to present its own profit and loss account.

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

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

Junction Investments, Inc. and all its subsidiaries were disposed of on 26 July 2022.

In the parent Company financial statements, investments in subsidiaries are carried at cost less impairment in accordance with FRS 102.17.15E-F, Property, Plant and Equipment, with net revaluation gains recognised in Other Comprehensive Income and net revaluation losses in the profit and loss.

Angelweb Unipessoal, Lda (incorporated 10 Dec 2009)
Seedrs Nominees Limited (incorporated 31 Oct 2013)
Junction Investments, Inc. (purchased 27 Oct 2014, disposed 26 July 2022)
Pubvest Securities LLC (purchased 27 Oct 2014, disposed 26 July 2022)
PubVest Advisors LLC (purchased 27 Oct 2014, disposed 26 July 2022)
PubVest GP, Inc. (purchased 27 Oct 2014, disposed 26 July 2022)
PubVest Fund Complex L.P., Inc. (purchased 27 Oct 2014, disposed 26 July 2022)
Seedrs America Nominees, LLC (incorporated 16 Oct 2015, disposed 26 July 2022)
Seedrs Europe Limited (incorporated 07 July 2021)

3.3 Exemptions

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

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

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

In line with section 405 of the Companies Act 2006, Seedrs Nominees Limited is exempt from the requirements of the Act relating to the audit of the company's individual accounts.

3.4 Business combinations and goodwill

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

SEEDRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.4 Business combinations and goodwill (continued)

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

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years with reference to the underlying asset (in this case, a domain). The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill may be impaired.

3.5 Intangible assets

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

Domain	over 10 years
Computer Software	over 5 years

Computer software is now amortised 20% on a straight line basis, changing from a policy of 25% reducing balance in previous years. This new policy has been adopted to align the Group's policy with that of its acquirer, OpenDeal Inc. Net book values of the assets affected by the change in policy have been adjusted in the year to reflect the amortisation to be applied under the new regime.

The basis for determining the useful life of the Domain follows the tax guidance of the asset's jurisdiction.

Amortisation is charged to the profit or loss over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that intangible assets may be impaired. Amortisation is included in administrative expenses in the profit and loss account.

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

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

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

3.6 Property and equipment

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

Office equipment	over 3 years
Fixtures and fittings	over 3 years

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.6 Property and equipment (continued)

Office equipment and fixtures and fittings are now depreciated over 3 years on a straight line basis, changing from a policy of over 4 years on a straight-line basis in previous years. This new policy has been adopted to align the Group's policy with that of its acquirer, OpenDeal Inc. Net book values of the assets affected by the change in policy have been adjusted in the year to reflect the depreciation to be applied under the new regime.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit and loss and included in 'Other operating (losses)/income'. The Group assesses at each reporting date whether tangible fixed assets are impaired.

3.7 Impairment of financial and non-financial assets

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

3.8 Basic financial instruments

Financial assets

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

Financial liabilities

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

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

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

3.9 Cash at bank and in hand

Cash is represented by cash at bank, and cash held with our expense card provider Spendesk.

3.10 Debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. This includes any amounts owed from group undertakings.

SEEDRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.11 Creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. This includes any amounts owed to group undertakings.

3.12 Revenue Recognition

Revenue represents (i) commissions receivable on successful fundraising campaigns on the platform and rendering of services associated with such campaigns (Deal revenue), (ii) investor transaction fees and realised fees on investment returns distributed to investors (Investor revenue). Revenue is recognised as earned, when and to the extent that the Company obtains the right to consideration. It is measured at the fair value of the right to consideration excluding VAT. Revenue further includes interest earned on client money balances (Other revenue).

3.13 Cost of sales

Cost of sales include referral fees paid to third parties.

3.14 Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

3.15 Foreign currency translation

The Group financial statements are presented in Pounds Sterling ("GBP") rounded to the nearest Pound. The parent Company's functional and presentation currency is GBP rounded to the nearest Pound.

Transactions and balances

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

Translation

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

3.16 Equity investments – parent Company

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

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

3.18 Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

3.19 Share-based payment

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

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

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

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.19 Share-based payment (continued)

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

3.20 Provisions for liabilities

A provision is recognised in the statement of financial position when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Contingent liabilities are not recognised in the statement of financial position. However, unless the possibility of an outflow of economic resources is remote, contingent liabilities are disclosed in the notes of the financial statements.

3.21 Share capital

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

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

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

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations that have had a significant effect on the amounts recognised in the financial statements.

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

Value of Intangible assets

The Group considers whether intangible assets are impaired and if they are being held at fair value. Where an indication of impairment is identified, the estimation of recoverable value requires assessment of the recoverable value of the cash generating units (CGUs). The carrying value of the intangible asset at year-end is the recoverable amount, being the higher of its fair value less costs to sell and its value in use. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. The most critical estimate is considered to be future business performance which is based on sales activity, product innovation and historical growth trends.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

5	Revenue	2022	2021
		£	£
	Deal revenue	5,690,033	6,412,326
	Investor revenue	1,157,732	1,727,412
	Other revenue	43,759	3,041
	Total revenue	<u>6,891,524</u>	<u>8,142,779</u>
6	Other operating income	2022	2021
		£	£
	Other operating income	<u>252,590</u>	<u>-</u>
Research and development expenditure paid on behalf of the ultimate controlling party.			
7	Operating loss	2022	2021
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	84,025	44,513
	Amortisation of intangible assets, including goodwill	1,425,121	972,734
	Impairment charges	-	225,076
	Change in Provision of doubtful debts	(40,287)	(51,412)
	Non-recurring costs	1,713,137	215,146
	Audit of these financial statements	37,500	33,950
	Audit related assurance services	<u>17,500</u>	<u>15,750</u>
8	Exceptional Items	2022	2021
		£	(restated)
			£
	Impact of change in amortisation policy	291,988	-
	Impact of change in depreciation policy	14,420	-
	Interest paid on shares converted on acquisition	562,435	-
	Legal fees on acquisition	745,181	113,050
	Post-acquisition consulting fees	<u>99,113</u>	<u>-</u>
		<u>1,713,137</u>	<u>113,050</u>

The Legal fees on acquisition were included within administrative expenses in 2021's financial statements and were restated in this year's comparatives for consistency.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

9	Other income	2022	2021
		£	£
	Other income	6,887	3,234
	Bank interest	6,102	370
		<u>12,989</u>	<u>3,604</u>
10	Taxation		
	Factors affecting tax charge for the year		
		2022	2021
		£	£
	Loss before taxation	<u>(9,693,915)</u>	<u>(2,810,602)</u>
	Loss multiplied by standard rate of corporation tax in the UK of 25.00% (2021: 25.00%)	(2,423,479)	(702,650)
	Effects of:		
	Unrecognised deferred tax asset	<u>2,418,311</u>	<u>702,647</u>
	Total tax charge for the financial year	<u>(5,168)</u>	<u>(3)</u>

The Company has no liability to corporation tax due to losses incurred. The Company has trading losses of £20,994,294 (2021: £21,374,418) which may be available to carry forward and offset against future trading profits derived from the same trade.

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

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

11 Staff costs	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
<i>a) Staff costs</i>				
Wages and salaries	7,293,640	5,321,548	6,559,388	4,991,314
Social security costs	996,470	686,861	856,902	606,293
Contributions to defined contribution pension plans	127,052	92,433	124,978	92,433
Share-based payments	352,628	586,814	352,628	586,814
	<u>8,769,789</u>	<u>6,687,656</u>	<u>7,893,895</u>	<u>6,276,853</u>
Amount capitalised	<u>(1,262,656)</u>	<u>(792,665)</u>	<u>(1,288,522)</u>	<u>(792,665)</u>
Staff costs charged to profit and loss	<u>7,507,133</u>	<u>5,894,991</u>	<u>6,605,373</u>	<u>5,484,188</u>

Share-based payments arise from transactions accounted for as equity-settled share-based payment transactions as per note 21.

The average monthly number of employees during the year was 117 (2021: 83).

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

b) Directors' remuneration	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Aggregate remuneration in respect of qualifying services	544,475	525,653	529,962	525,653
Company contributions to defined contribution schemes	<u>10,693</u>	<u>9,672</u>	<u>10,693</u>	<u>9,672</u>

The highest paid director received remuneration of £320,239 and company pension contributions of £3,522.

Three directors (2021: two) were members of a defined contribution scheme.

Five directors (2021: none) exercised share options in the parent Company's shares during the year.

No directors (2021: none) received shares under a long-term incentive scheme.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****12 Intangible assets**

<i>Group</i>	Computer Software	Goodwill	Domain	Total
	£	£	£	£
Cost				
At 1 January 2022	7,544,393	591,324	72,650	8,208,367
Additions - internally generated	1,262,656	-	-	1,262,656
Disposals	-	(591,324)	-	(591,324)
Exchange adjustment	-	-	7,540	7,540
At 31 December 2022	<u>8,807,049</u>	<u>-</u>	<u>80,190</u>	<u>8,887,239</u>
Amortisation and impairment losses				
At 1 January 2022	4,211,467	575,243	55,154	4,841,864
Amortisation*	1,399,968	17,534	7,619	1,425,121
Disposals	-	(591,324)	-	(591,324)
Exchange adjustment	-	(1,453)	5,725	4,272
At 31 December 2022*	<u>5,611,435</u>	<u>-</u>	<u>68,498</u>	<u>5,679,933</u>
Net Book Value				
At 31 December 2022*	<u>3,195,614</u>	<u>-</u>	<u>11,692</u>	<u>3,207,306</u>
At 31 December 2021	<u>3,332,927</u>	<u>16,081</u>	<u>17,495</u>	<u>3,366,503</u>
Parent Company				
	£	£	£	£
Cost				
At 1 January 2022	7,543,391	-	-	7,543,391
Additions	1,288,523	-	14,926	1,303,449
At 31 December 2022	<u>8,831,914</u>	<u>-</u>	<u>14,926</u>	<u>8,846,840</u>
Amortisation and impairment losses				
At 1 January 2022	4,354,736	-	-	4,354,736
Amortisation	1,380,702	-	3,234	1,383,936
At 31 December 2022	<u>5,735,438</u>	<u>-</u>	<u>3,234</u>	<u>5,738,672</u>
Net Book Value				
At 31 December 2022	<u>3,096,476</u>	<u>-</u>	<u>11,692</u>	<u>3,108,168</u>
At 31 December 2021	<u>3,188,655</u>	<u>-</u>	<u>-</u>	<u>3,188,655</u>

Goodwill from the acquisition of Junction Investments, Inc. on 27 October 2014, was written off on 26 July 2022 following the disposal of the entity. The domain purchased by Junction Investments, Inc. pre-acquisition, was transferred to the parent Company, Seedrs Limited based on its fair value at the transaction date.

*The amortisation policy was changed during the year, see note 14 for more detail.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****13 Property and equipment**

<i>Group</i>	Fixtures and Fittings £	Office Equipment £	Total £
Cost			
At 1 January 2022	240,294	239,926	480,220
Additions	22,652	118,262	140,914
Disposals	(21,259)	(106,723)	(127,982)
Exchange adjustment	-	669	669
At 31 December 2022	<u>241,687</u>	<u>252,134</u>	<u>493,821</u>
Depreciation			
At 1 January 2022	189,422	164,926	354,348
Charge for the year*	22,298	61,727	84,025
Disposals	(19,384)	(97,220)	(116,604)
Exchange adjustment	-	645	645
At 31 December 2022*	<u>192,336</u>	<u>130,078</u>	<u>322,414</u>
Net Book Value			
At 31 December 2022*	<u>49,351</u>	<u>122,056</u>	<u>171,407</u>
At 31 December 2021	<u>50,872</u>	<u>75,000</u>	<u>125,872</u>
<i>Parent Company</i>			
Cost			
At 1 January 2022	240,294	224,143	464,437
Additions	22,652	118,262	140,914
Disposals	(21,259)	(103,169)	(124,428)
At 31 December 2022	<u>241,687</u>	<u>239,236</u>	<u>480,923</u>
Depreciation			
At 1 January 2022	189,421	150,737	340,158
Charge for the year	22,299	60,109	82,408
Disposals	(19,384)	(93,666)	(113,050)
At 31 December 2022	<u>192,336</u>	<u>117,180</u>	<u>309,516</u>
Net Book Value			
At 31 December 2022	<u>49,351</u>	<u>122,056</u>	<u>171,407</u>
At 31 December 2021	<u>50,872</u>	<u>73,406</u>	<u>124,279</u>

*The depreciation policy was changed during the year, see note 15 for more detail.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****14 Change in amortisation policy for intangible assets**

The amortisation policy for computer software has been amended during the year to align to that of the Group's acquirer, OpenDeal Inc. (via Republic). These assets are now amortised at 20% on a straight line basis, changing from a 25% reducing balance in previous years; this accelerated amortisation has been reflected in the profit and loss for the year. A breakdown of amortisation under the historic policy and the comparative against the new policy is as below:

<i>Group</i>	Computer Software	
	£	£
	Historic	Present
Amortisation	931,766	1,088,714

<i>Company</i>	Computer Software	
	£	£
	Historic	Present
Amortisation	931,766	1,088,714

An amortisation charge of £291,988 has been recognised in the year relating to previous years' charges.

15 Change in depreciation policy for tangible assets

The depreciation policy for fixtures and fittings and office equipment has been amended during the year to align to that of the Group's acquirer, OpenDeal Inc. These assets are now amortised over a period of 3 years on a straight line basis, changing from a 4 year straight line basis in previous years; this accelerated depreciation has been reflected in the profit and loss for the year. A breakdown of depreciation under the historic policy and the comparative against the new policy is as below:

<i>Group</i>	Fixtures and Fittings		Office Equipment	
	£	£	£	£
	Historic	Present	Historic	Present
Amortisation	29,291	21,697	38,113	46,291

<i>Company</i>	Fixtures and Fittings		Office Equipment	
	£	£	£	£
	Historic	Present	Historic	Present
Amortisation	29,291	21,697	38,113	46,291

A depreciation charge of £14,420 has been recognised in the year relating to previous years' charges.

SEEDRS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Investments (parent Company only)

Shares in group
undertakings and
participating
interests
£

Cost

At 1 January 2022

1,649,518

Additions

-

Disposals

(1,649,515)

At 31 December 2022

3

Provisions for diminution in value

At 1 January 2022

1,572,653

Charge for the year taken to admin expenses in the profit and loss

-

Disposals

(1,572,653)

At 31 December 2022

-

Net book value

At 31 December 2022

3

At 31 December 2021

76,865

Holdings in subsidiaries

The parent Company holds share capital of the following companies:

Subsidiary Undertakings	Principal Activity	Address of Registration or Incorporation	Class	Shares held %
Angelweb Unipessoal Lda	IT services	Av. Defensores de Chaves 4, 1000-117 Lisbon, Portugal	Ordinary	100
Seedrs Nominees Limited	Nominee company	Churchill House, 142-146 Old Street, London, England, EC1V 9BW	Ordinary	100
Seedrs Europe Limited	Equity crowdfunding	77 Lower Camden Street, Dublin 2, D02 XE80, Ireland	Ordinary	100

The parent Company held share capital of the following companies during the year; these companies were disposed of 26 July 2022:

Subsidiary Undertakings	Principal Activity	Address of Registration or Incorporation	Class	Shares held %
Junction Investments, Inc.	Investment in early-stage business	The Corporation Trust Company, 1209 Orange St., Wilmington, Delaware 19801	Ordinary	100
PubVest Securities LLC (*)	Broker dealer	The Corporation Trust Company, 1209 Orange St., Wilmington, Delaware 19801	Ordinary	100
PubVest Advisers LLC (*)	Investment advisor	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808	Ordinary	100
PubVest GP, Inc. (*)	General partner	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808	Ordinary	100
PubVest Fund Complex L.P., Inc. (*)	Limited partner	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808	Ordinary	100
Seedrs America Nominees LLC (*)	Nominee company	The Corporation Trust Company, 1209 Orange St., Wilmington, Delaware 19801	Ordinary	100

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

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****16 Investments (parent Company only) (continued)**

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

	Capital and reserves	Profit/(loss) for the year
	2022	2022
	£	£
Angelweb Unipessoal Lda	53,129	38,118
Seedrs Nominees Limited	1	-
Seedrs Europe Limited	1	(188,948)

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

ii) Seedrs Limited is the sole shareholder of Angelweb Unipessoal Lda, holding its entire share capital of €60,000; the investment was written down to €1 during the year ended 31 December 2012.

17 Debtors

Group	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,153,037	1,157,476
Other debtors	906,009	711,074
Amounts owed by group undertakings	247,651	-
Amounts falling due after one year:		
Other debtors	-	166,617
	<u>2,306,697</u>	<u>2,035,167</u>
Parent Company	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,153,036	1,157,476
Other debtors	847,144	672,071
Amounts owed by group undertakings	406,470	-
Amounts falling due after one year:		
Other debtors	-	166,617
	<u>2,406,650</u>	<u>1,996,164</u>

Trade debtors are stated after provisions for impairment of £60,606 (2021: £100,893).

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****18 Creditors: amounts falling due within one year**

<i>Group</i>	2022	2021
	£	£
Trade creditors	494,042	245,850
Taxation and social security	341,641	215,228
Other creditors	903,906	1,105,984
	<u>1,739,589</u>	<u>1,567,062</u>
<i>Parent Company</i>	£	£
Trade creditors	466,450	217,556
Taxation and social security	273,737	202,208
Other creditors	698,597	1,004,901
Amounts owed to group undertakings	176,336	40,431
	<u>1,615,120</u>	<u>1,465,096</u>

19 Financial instruments (Group only)

Financial assets	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	1,153,037	1,157,476
Other debtors due within one year	548,392	287,766
Other debtors due after one year	-	166,617
	<u>1,701,429</u>	<u>1,611,859</u>
Financial liabilities	2022	2021
	£	£
Financial liabilities that are debt instruments measured at amortised cost:		
Trade creditors	494,042	245,850
Accruals	128,006	389,503
Other creditors	775,901	716,480
	<u>1,397,949</u>	<u>1,351,833</u>

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****20 Share capital and other reserves****Share capital**

	Number of shares		2022	2021
	2022	2021	£	£
Allotted, called up and fully paid				
Ordinary shares of £0.0038462 each	2,769,245	1,400,789	10,651	5,388
Series A Preferred shares of £0.0038462 each	324,224	574,095	1,247	2,208
	3,093,469	1,974,884	11,898	7,596

There were 616,319 fully paid Ordinary shares of £0.0038462 each allotted during the year ended 31 December 2022 for a total consideration of £3,702,322. A further 178,042 fully paid Ordinary shares of £0.0038462 each were allotted during the year ended 31 December 2022 for a total consideration of £4,200,010.78 following a conversion of an Advanced Subscription Agreement (ASA) with OpenDeal Inc.

There were 324,224 fully paid Series A Preferred shares of £0.0038462 each allotted during the year ended 31 December 2022 for a total consideration of £5,353,913. In addition, 574,095 fully paid Series A Preferred shares of £0.0038462 each were converted into Ordinary shares during the year ended 31 December 2022.

Shareholders' rights**Ordinary shares of £0.0038462 each**

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

Series A Preferred shares of £0.0038462 each

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

Share premium

Share premium represents the amount subscribed for share capital in excess of the nominal value minus any costs attributed with the issuance of shares.

Non-distributable reserves

Non-distributable reserves comprises advances against issues of shares received from parent company, OpenDeal Inc. amounting to £4,164,335.

Reserves also include share-based payments reserve of the fair value of options granted.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****21 Share option plan**

The Group operated two share option plans during the year.

Scheme 1 was utilised to grant Seedrs Limited's share-based payments to individuals prior to the completion of the Group's acquisition on 01 September 2022. Scheme 2 relates to share-based payments granted by the acquirer OpenDeal Inc.. Details of each scheme are outlined below.

Scheme 1

Share options are granted to employees, directors and certain advisors. All the options are equity-settled and per the individual agreements vest on various dates up to 16 December 2025. The contractual life of each option granted is ten years. This was discontinued on 01 September 2022, where a vesting acceleration was made for remaining employees.

Group and parent Company

The expense recognised for the share-based payments in respect of employee, director and advisor option grants during the year to 31 December 2022 is £300,047 (2021: £586,814).

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

Group and parent Company	2022 no.	2022 WAEP	2021 no.	2021 WAEP
Outstanding as at 1 January	618,994	£ 6.22	525,582	£ 6.22
Granted during the period	-	£ -	143,054	£ 6.21
Forfeited during the period	(23,534)	£ 6.21	(21,968)	£ 6.21
Exercised during the period	(595,460)	£ 6.21	(27,674)	£ 6.21
Expired during the period	-	£ -	-	£ -
Outstanding as at 31 December	-	£ -	618,994	£ 6.22
Exercisable as at 31 December	-	£ -	438,409	£ 6.22

The weighted average fair value of options granted during the year was £nil (2021: £6.44). The exercise price for options outstanding at the end of the year was £nil (2021: £6.22).

The fair value of the share-based payments has been estimated using the Black-Scholes option-pricing model due to its relevance to European stocks and its known variables with reference to the terms and conditions upon which the instruments were granted. The inputs used in the estimate of the fair values at grant date were as follows:

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****21 Share option plan (continued)**

	2022	2021
Fair Value	-	6.44
Share Price	-	12.64
Exercise Price	-	6.21
Expected Volatility	-	10%
Expected Life (years)	-	1
Risk-free rate	-	0.25%

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

Scheme 2

Share options in OpenDeal Inc. have been granted to employees, directors and certain advisors by OpenDeal Inc.. All the options are equity-settled and per the individual agreements vest on various dates up to 01 September 2026. The contractual life of each option granted is ten years.

Group and parent Company

Equity-settled transactions are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest; this has been calculated proportional to each Group entity by OpenDeal Inc.

The expense recognised for the share-based payments in respect of employee, director and advisor option grants during the year to 31 December 2022 is £52,580 (2021: £nil).

Group and parent Company	2022 no.	2022 WAEP	2021 no.	2021 WAEP
Outstanding as at 1 January	-	£ -	-	£ -
Granted during the period	1,816,805	£ 7.14	-	£ -
Forfeited during the period	(253,339)	£ 7.14	-	£ -
Exercised during the period	-	£ -	-	£ -
Expired during the period	-	£ -	-	£ -
Outstanding as at 31 December	1,563,466	£ 7.14	-	£ -
Exercisable as at 31 December	-	£ -	-	£ -

The weighted average fair value of options granted during the year was \$8.61 or £7.14 (2021: \$nil). The exercise price for options outstanding at the end of the year was \$13.38 or £11.10 (2021: £nil).

The fair value of the share-based payments has been estimated using the Black-Scholes option-pricing model due to its relevance to U.S. stocks and its known variables with reference to the terms and conditions upon which the instruments were granted. The inputs used in the estimate of the fair values at grant date were as follows:

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****21 Share option plan (continued)**

	2022	2021
Fair Value	\$8.61	-
Share Price	\$13.38	-
Exercise Price	\$13.38	-
Expected Volatility	69%	-
Expected Life (years)	6	-
Risk-free rate	3.77%	-

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

22 Employee benefits

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The total expense relating to this plan in the current period was £124,523 (2021: £92,433). There were contributions of £30,510 (2021: £20,060) outstanding at 31 December 2022. There were no prepaid contributions at this date.

23 Related Parties

The parent Company received advances amounting to £4,164,335. from OpenDeal Inc. during the year, as per note 20. The parent Company also received a further £4,200,010.78 from OpenDeal Inc. relating to a converted ASA during the year.

The parent Company earns income from recharged engineers costs from OpenDeal Inc.; total income earned in the year amounts to £252,590. A total of £247,651 was owed to the parent Company by OpenDeal Inc. at year end relating to this income and other recharged administrative costs.

Transactions with key personnel consisted of remuneration only and is disclosed in note 11.

SEEDRS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****24 Financial commitments**

Non-cancellable operating lease rentals are payable as follows:

<i>Group</i>	2022	2021
	£	£
Operating lease payments due:		
Within one year	155,185	302,902
After one year and not later than five years		155,185
<i>Parent Company</i>	2022	2022
	£	£
Operating lease payments due:		
Within one year	155,185	302,902
After one year and not later than five years		155,185

During the year £304,740 (2021: £302,902) was recognised as an expense in the profit and loss account in respect of operating leases.

25 Subsequent events

The Company received an equity capital injection of \$2.5m (£2,032,851) on 27 March 2023 from OpenDeal Inc. which demonstrates its ongoing commitment to support business operations.

There have been no other reportable events between 31 December 2022 and the signing of these financial statements.

26 Ultimate controlling party

The immediate and ultimate controlling party of the Group is OpenDeal Inc. which owns 100% of the issued share capital. Its registered office is 10th Floor, 149 Fifth Avenue, New York City, New York 10010, United States.