



Company balance sheet as at 31 August 2018

	Note	31 August 2018 £m
Non-current assets		
Investments in subsidiary undertakings		249.8
Loans due from subsidiary undertakings		1.7
		<u>251.5</u>
Current assets		
Loans due from subsidiary undertakings		0.1
Trade and other receivables	2	3.9
Cash and cash equivalents		28.7
		<u>32.7</u>
Total assets		<u>284.2</u>
Current liabilities		
Trade and other payables	3	5.0
Total liabilities		<u>5.0</u>
Equity		
Share capital	4	0.3
Share premium account		0.2
Share options reserve		16.7
Retained earnings		262.0
Total equity		<u>279.2</u>
Total equity and liability		<u>284.2</u>

Notes 1 to 4 form an integral part of the Balance Sheet.

The Balance Sheet and related notes have been prepared for the purposes of re-registering the Company as a plc under section 92 of the Companies Act 2006.

The Balance Sheet and related notes were approved by the Board and authorised for issue on 18 September 2018. They were signed on behalf of the Board by:

S Glithero
Director

Company registration number 07123934





Notes forming part of the Company balance sheet as at 31 August 2018

1. Accounting policies

General information

Funding Circle Holdings Limited (the "Company") is a private company incorporated on 13 January 2010 in the United Kingdom under the Companies Act 2006. The address of its registered office is 71 Queen Victoria EC4V 4AY.

Basis of preparation

The Company Balance Sheet as at 31 August 2018 presents information about the Company as a separate entity and does not include information pertaining to the rest of the Group.

The Company Balance Sheet has been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and Section 92 (1) (a) (b) and (c) of the Companies Act 2006 in connection with the re-registration of the Company as a public limited company ("plc").

The Company balance sheet and related notes (the "financial statement") has been prepared on the historical cost basis and are presented in GBP sterling, which is the Company's functional currency.

The preparation of the financial statement in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The principal accounting policies are set out below. There are no significant judgements or critical estimates to disclose.

Going concern

The Directors have, at the time of approving the Balance Sheet, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing the Balance Sheet.

Investments in subsidiaries

Investments held as fixed assets are stated at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, impairment is recognised.

Loans due from subsidiary undertakings

Loans due from subsidiary undertakings are measured at amortised cost. The Directors consider that the carrying amount of loans due from subsidiary undertakings is approximately equal to their fair value.

Share capital

Ordinary shares are classified as equity where their terms include no contractual obligation to transfer cash or another financial asset to another entity.

Notes forming part of the Company balance sheet as at 31 August 2018

Preferred share capital

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preferred share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Share based payments

The Company operates a number of equity-settled, share based compensation plans, under which the Company receives services from subsidiary employees as consideration for equity instruments (options and shares) of the Company. The fair value of the employee services received in exchange for the grant of the options and shares is recognised as a capital contribution. The total amount of the capital contribution is determined by reference to the fair value of the options and shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the Group over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options and shares that are expected to vest. The total capital contribution is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the balance sheet, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.



Notes forming part of the Company balance sheet as at 31 August 2018

2. Trade and other receivables

	31 August 2018 £m
Prepayments	1.8
Other debtors	2.1
	<u>3.9</u>

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

3. Trade and other payables

	31 August 2018 £m
Trade payables	0.6
Accruals	3.4
Other creditors	0.5
Preferred dividends payable	0.5
	<u>5.0</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.



Notes forming part of the Company balance sheet as at 31 August 2018

4. Share capital

	31 August 2018 Number	31 August 2018 £
<i>Called up, allotted and fully paid</i>		
Ordinary shares of £0.001	85,851,080	85,851
A Ordinary shares of £0.00001	1,439,625	14
B Ordinary shares of £0.00001	650,000	7
C Ordinary shares of £0.00001	5,829,475	58
D Ordinary shares of £0.00001	1,068,850	10
E Ordinary shares of £0.00001	6,063,840	61
Series A preferred shares of £0.001	27,392,200	27,392
Series B preferred shares of £0.001	31,492,900	31,493
Series C preferred shares of £0.001	32,520,500	32,521
Series D preferred shares of £0.001	25,595,700	25,596
Series E preferred shares of £0.001	31,432,400	31,432
Series F preferred shares of £0.001	23,672,990	23,673
Deferred shares of £0.00001	2,692,586	27
	275,702,146	258,135

The A Ordinary, B Ordinary, C Ordinary, D Ordinary, E Ordinary and Deferred shares do not confer a right to vote. The Ordinary shares and all classes of preferred shares confer the right to one vote per share.

Funding Circle Holdings Limited

Balance Sheet as at 31 August 2018

Registered number 07123934





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Conclusions relating to going concern

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

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

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

Responsibilities for the financial statement and the audit

Responsibilities of the directors for the financial statement

As explained more fully in the Statement of directors' responsibilities in respect of the financial statement set out on page 2, the directors are responsible for the preparation of the financial statement in accordance with the provisions of the Companies Act 2006 that would have applied had the financial statement been prepared for a financial year of the Company as explained in the basis of preparation and accounting policies in note 1 to the financial statement, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

Auditors' responsibilities for the audit of the financial statement

It is our responsibility to report on whether the financial statement has been properly prepared in accordance with the relevant provisions of the Companies Act 2006.

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.

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



Use of this report

This report, including the opinion, has been prepared for and only for the Company's directors as a body in accordance with section 92 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on net assets

We are also responsible under section 92(1)(c) of the Companies Act 2006 for forming an independent opinion concerning the relationship between the Company's net assets and its called-up share capital and undistributable reserves at the date of the financial statement.

In our opinion, at 31 August 2018, the amount of the Company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 September 2018