COMPANY REGISTRATION NUMBER 09597755

DIGITAL MONEYBOX LTD

FINANCIAL STATEMENTS

31 MAY 2018

DIGITAL MONEYBOX LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2018

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DIRECTORS AND ADVISORS

YEAR ENDED 31 MAY 2018

B Stanway	Director
C Mortimer	Director
D Bradley	Non-Executive Director
D Godfrey	Non-Executive Director
Registered office:	1.07, 1-2 Hatfields, London, SE1 9PG
Company registration number:	09597755
Bankers:	Santander UK PLC, 2 Triton Square, Regent's Place, London, NW1 3AN

DIGITAL MONEYBOX LTD

STRATEGIC REPORT

YEAR ENDED 31 MAY 2018

The directors present that strategic report of Digital Moneybox Limited ("the Company") for the year ended 31 May 2018.

Principal activity

The company provides applications which enable customers to make regular investments into simple low-cost tracker funds via tax efficient products, such as an ISA or Lifetime ISA.

The business has a clearly defined strategy to leverage technology within the markets in which it operates to deliver a beautiful customer experience whilst driving customer and revenue growth.

On 19 June 2018, the company completed its Series B funding round. The company raised £13,972,153 with a new lead investor, Eight Roads Holding Ltd, becoming a shareholder.

Business review

The results for the year ended 31 May 2018 are set out in the Statement of Comprehensive income on page 9.

Company revenue increased in the year under review as it completed its first full year of trading. Revenues increased by 1,092% to £556,393 (2017: £46,665). Gross profit was £83,561 (2017: -£166,753). EBITDA was -£2,800,868 (2017: -£1,601,840). EBITDA losses have widened from the prior year predominantly due to increased marketing activity, product development, and growth of headcount.

Financial key performance indicators

The financial key performance indicators used in the business during the year are: revenue, gross profit, and EBITDA. The performance of the business in terms of these indicators is described above.

Principal risks and uncertainties

Business risks

The principal activities of the business are the provision applications, currently delivered via mobile devices. Key risks associated with this is include the continuity of underlying technology and systems infrastructure, and the safeguarding of client information.

The company's operation depends on complex, interconnected information technology systems and networks. To protect the confidentiality, integrity, and availability of these systems, networks, and the data that they store, process and transmit, the company has implemented a layered defence strategy. Reliance is on technology and human processes to safeguard member data at all layers of the enterprise.

The company's strategy is to balance the strength of its technical controls with their usability. This ensures appropriate controls are embedded within the process, starting with design and moving on to operations. The goal of the information security policy is to counter the security threats to the member and customer information we store, process and transmit.

An external third party is employed to perform a comprehensive security review of the mobile phone applications on an annual basis. It identifies risks, validates compliance, and in turn reduces the likelihood of data breaches.

The company's infrastructure has been constructed with reliability and availability at the forefront. All processing systems, databases and networks are independent, so no single component can bringdown the system. At the application level this allows for the occurrence of sustained multiple failures before system performance degrades.

As part of its governance structure the company has an Information Security Policy. An Information Security Management Committee (ISMC) has been put in place to oversee the policy and to support the identification and management of information security risks. The ISMC utilises the risk management processes contained in the policy to identify vulnerabilities, threats and mitigating controls associated with Moneybox's business, processes, people, technologies and services.

Foreign Exchange risk, liquidity risk and credit risk

The company is exposed to foreign exchange risk which is the risk of making financial loss through regular international trading activity. The company's exposure is due to several major suppliers requiring payment in US Dollars. The principal objective of the Company's treasury policy is the management and control of risks that arises as a result of foreign currency transactions. It is a fundamental principal that the company does not speculate in the currency market.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It is managed through a rolling cash flow forecast.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that party by failing to discharge an obligation. The revenue is generated, billed and settled directly from customer balances therefore the company does not hold any credit risk directly with customers. This transaction is completed using the client records outsourcer who are pro-actively monitored.

Macroeconomic risk

The global financial and economic situation may have an impact on customer holdings and therefore the Company's revenue generation through annual platform charge fees. If the global financial markets suffer a prolonged down turn this may result in customers removing their holdings from stocks and shares based products into cash products, thus lowering demand for the service.

Monitoring of risks

The company has developed a culture of building into every decision, commercial, technical or financial, a risk-assessment process both at the outset and on an on-going basis. As such, the business maintains a risk register to record the risks to the business. The register is regularly reviewed to ensure that it represents a reflection of the risks that the company faces.

Future development

It is the directors' intention to invest in the business during the next financial year and specifically, to increase the number of employees across all departments to grow the business. Further development will involve the launch of new products under the Moneybox brand.

Approval

The strategic report was approved by the Board on 21st September 2018. On behalf of the Board

B Stanway
Director

DIGITAL MONEYBOX LTD

DIRECTORS REPORT

YEAR ENDED 31 MAY 2018

The directors present their report and the unaudited financial statements of the company for the year ended 31 May 2018.

Results and dividends

The loss for the year, after taxation, amounted to £3,127,240 (2017: £1,787,253 *restated*). Dividends of £nil were declared and paid during the year (2017: £nil).

Political donations

The company has not made any political donations in the financial years (2017: £nil).

Going concern

The directors consider it appropriate to prepare the financial statements on a going concern basis. Further disclosure is given in Note 1.5 to the financial statements.

Research and development

The directors regard the investment in research and development as integral to the continuing success of the business and ensuring our products remain a strong player in this sector. The development is capitalised and is included within Note 12 to the financial statements.

Directors

The directors who served the company during the year were as follows:

B Stanway
C Mortimer
D Bradley
D Godfrey

Employees

The Company continues to place a high emphasis on mutually beneficial relationships with its employees whom it regards as essential to the Company's future prosperity. Consultation with employees occurs at all levels, with the aim of ensuring that their views are considered when decisions are made that are likely to affect their interests. Similarly, all employees are aware of the financial and economic performance of the Company.

The Company puts great emphasis on providing equality of opportunity for all employees and ensures that fair selection and development procedures apply. The aim of the policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, sexual orientation, disability, marital status, colour, religion, race, or ethnic origin, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the Company's employment, measures will be taken to ensure to ensure that they can continue in their employment as far as is practical.

Financial risk managements

Refer to the Strategic Report for further details.

Post balance sheet events

On 19 June 2018, the company completed its series B funding round. The company raised £13,972,153 with a new lead investor, Eight Roads Holding Ltd, becoming a shareholder.

As a result of the new funding there have been several share issues since the end of the financial year.

On 19 June 2018 158,765 ordinary shares were issued for £2,845,386. There were no expenses on the issue of the shares.

On 6 August 2018 400 ordinary shares were issued for £4.00. There were no expenses on the issue of the shares.

On 31 August 2018 210,015 ordinary shares were issued for £3,763,889. There were no expenses on the issue of the shares.

Statement of directors' responsibilities

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

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

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

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

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Approved by the directors on 21st September 2018.

By order of the board

B Stanway
Director

DIGITAL MONEYBOX LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2018

	Note	Year ended 31 May 2018	Year ended 31 May 2017	Year and 13 days ended 31 May 2016
			(Restated)	*(Restated)*
		£	£	£
Revenue	4	556,393	46,665	-
Cost of Sales		(472,832)	(213,418)	(11,828)
Gross Profit/(Loss)		83,561	(166,753)	(11,828)
Distribution costs		(1,449,866)	(618,306)	(83,482)
Administrative expenses		(1,922,142)	(1,171,438)	(323,829)
Other operating income	6	169,084	193,688	140,236
Operating loss		(3,119,363)	(1,762,809)	(278,903)
Interest Receivable	10	2,939	2,866	2,464
Loss before Tax		(3,116,424)	(1,759,943)	(276,439)
Income tax expense	11	(10,816)	(27,310)	(57,548)
Loss for the year		(3,127,240)	(1,787,253)	(333,987)
Total comprehensive income for the year		(3,127,240)	(1,787,253)	(333,987)

All activities of the company are classed as continuing.

The notes on pages 14 to 31 form part of these financial statements.

DIGITAL MONEYBOX LTD

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MAY 2018

	Note	2018 £	2017 £ (Restated)
Fixed assets			
Property, Plant and equipment	13	27,026	28,863
Intangible Assets	12	1,389,400	1,046,697
		1,416,426	1,075,560
Current assets			
Debtors	14	356,044	277,709
Cash and cash equivalents		827,662	4,127,191
		1,183,706	4,404,900
Total Assets		2,600,132	5,480,460
Creditors: amounts falling due within 1 year			
Trade and other payables	15	(397,491)	(160,738)
		(397,491)	(160,738)
Creditors: amounts falling due after more than 1 year			
Deferred income tax liabilities	16	(94,880)	(84,858)
		(94,880)	(84,858)
Total liabilities		(492,371)	(245,596)
Net assets		2,107,761	5,234,864
Capital and reserves			
Ordinary shares	17	21	21
Share premium		7,356,220	7,356,083
Accumulated losses		(5,248,480)	(2,121,240)
Total capital and reserves		2,107,761	5,234,864

For the year ending 31 May 2018 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the directors and authorised for issue on 21st September 2018, and are signed on their behalf by:

B Stanway
Director
Company registration number: 09597755

The notes on pages 14 to 31 form part of these financial statements.

DIGITAL MONEYBOX LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2018

	Note	Called-up share capital	Share premium	Retained earnings	Total Equity
		£	£	£	£
Balance at 15 May 2015		-	-	-	-
Loss for the year				(942,565)	(942,565)
Accounting policy change & Correction of errors	3	-	-	**608,578**	**608,578**
Total comprehensive income for the year		-	-	**(333,987)**	**(333,987)**
Proceeds from shares issued		14	2,000,004	-	2,000,018
Total transactions with owners, recognised directly in equity		**14**	**2,000,004**	-	**2,000,018**
Balance at 31 May 2016		14	2,000,004	(333,987)	1,666,031
Balance at 1 June 2016		**14**	**2,000,004**	**(333,987)**	**1,666,031**
Loss for the year				(3,147,295)	(3,147,295)
Accounting policy change & Correction of errors	3	-	-	1,360,042	1,360,042
Total comprehensive income for the year		-	-	**(1,787,253)**	**(1,787,253)**
Proceeds from shares issued		6	5,356,079	-	5,356,086
Total transactions with owners, recognised directly in equity		**6**	**5,356,079**	-	**5,356,086**
Balance at 31 May 2017		21	7,356,083	(2,121,240)	5,234,864
Balance at 1 June 2017		**21**	**7,356,083**	**(2,121,240)**	**5,234,864**
Loss for the year				(3,127,240)	(3,127,240)
Total comprehensive income for the year		-	-	**(3,127,240)**	**(3,127,240)**
Proceeds from shares issued	17	-	136	-	136
Total transactions with owners, recognised directly in equity		-	**136**	-	**136**
Balance at 31 May 2018		21	7,356,220	(5,248,480)	2,107,761

The notes on pages 14 to 31 form part of these financial statements.

DIGITAL MONEYBOX LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2018

	Note	2018	2017	2016
		£	£	£
Net cash generated from operating activities	18	-2,640,305	-1,568,694	- 421,539
Cash flow from investing activities				
Purchase of intangible assets		- 650,580	- 667,725	- 529,377
Purchase of tangible assets		- 8,781	- 28,381	- 13,187
Net cash used in investing activities		- 659,361	- 696,106	- 542,564
Cash flow from financing activities				
Issue of share capital		136	5,356,076	2,000,018
Net cash provided from financing activities		136	5,356,076	2,000,018
Net decrease in cash and cash equivalents		-3,299,530	3,091,276	1,035,915
Cash and cash equivalents at the beginning of the year		4,127,191	1,035,915	-
Cash and cash equivalents at the end of the year		827,661	4,127,191	1,035,915
Cash and cash equivalents		827,661	4,127,191	1,035,915

The notes on pages 14 to 31 form part of these financial statements.

DIGITAL MONEYBOX LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2018

1. Accounting policies

1.1 General information

Digital Moneybox Limited ("the company") owns, develops, and operate a mobile application platform that allows individuals to open tax-efficient accounts to enable investments in simple tracker funds.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 1.07, 1-2 Hatfields, London, SE1 9PG.

1.2 Statement of compliance

The financial statements of Digital Moneybox Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standards 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statement are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.4 Basis of preparation

These financial statements are prepared on going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 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 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 2.

1.5 Going concern

The company meets its day to day working capital requirements through its bank balance. The company's forecasts and projections, taking into account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its available bank balance. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

1.6 Exemptions for qualifying entities

The company has not taken advantage of any of the FRS 102 disclosure exemptions available to qualifying entities.

1.7 Foreign currency

i) Functional and presentation currency - The company's functional and presentation currency is pound sterling. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

ii) Transactions and balances - Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses, presented in the profit and loss account, are within 'Administration costs'.

1.8 Change in accounting policy

As the company enters a new phase of growth it has assessed its accounting policies and determined that the policy to expense all costs associated with its software development is not appropriate going forward for the business.

Following this, the business has changed its policy around the capitalisation of intangible assets and will now capitalise the software development of the company's mobile application platform. As such the business will retrospective apply this change of accounting policy to the prior financial years. Intangible assets are recognised if and only if specific criteria are met in order to demonstrate the asset will generate probably future economic benefits and the costs can be reliably measured.

The impact of the reclassifying expenses into capitalised intangible assets has reduced expenses in the both the year ending 31 May 2016 and 30 May 2017, £528,663 and £518,034 respectively. The balance sheet impact of this change has been to increase

1.8 Change in accounting policy (continued)

intangible assets at the start of the accounting period by £1,046,697 and an increase in shareholder funds of £1,046,697.

The company previously had a policy of capitalising tangible assets however historically this has been only higher value assets. This treatment is no longer appropriate for the

company and therefore the company is capitalising assets that are reasonable to capitalise.

The impact of the reclassifying expenses into capitalised tangible assets has reduced expenses in the both the year ending 31 May 2016 and 30 May 2017, £11,125 and £11, 058 respectively. The balance sheet impact of this change has been to increase tangible assets at the start of the accounting period by £22,183 and an increase in shareholder funds of £22,183.

1.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, and discounts allowed by the company and value added taxes.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the service; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of company's sales channels have been met, as described below.

i) Subscription revenue

The subscription revenue is revenue earned from customers for the provision of the Moneybox service, where the risk and rewards are transferred to the customer over the monthly period. In the event the customer withdraws their balance from Moneybox, effectively no longer using the service, then no revenue is recognised for that revenue month.

ii) Annual platform charge revenue

The annual platform charge revenue is revenue earned from a customer balance that is under administration with the company. The administration services are evenly provided evenly over time and therefore the revenue is calculated daily and then billed monthly. Therefore, the revenue is recognised as the risk and rewards or the service are passed to the customer.

1.9 Revenue recognition (continued)

iii) Data revenue

The company provides data services to corporate customers. Upon delivery of the service, the point at which is it passed to the customer the revenue is recognised. It is considered that at this pointed the risks and rewards of the service rendered have been passed to the customer.

1.10 Pension Costs

The company operates a defined contribution pension plan for employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 company in independently administered funds.

1.11 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

1.11 Taxation (continued)

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

1.12 Intangible assets

Internally generated software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of five years, on a straight-line basis.

Intangible assets are recognised if and only if specific criteria are met in order to demonstrate the asset will generate probably future economic benefits and the costs can be reliably measured.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

This accounting policy has changed in the current year, the prior year treatment has been to expense all software and development costs however the business is now retrospectively applying the capitalisation of intangible assets.

1.13 Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

i) Property, Plant and Equipment

IT Equipment, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

1.13 Tangible assets (Continued)

ii) Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

- IT Equipment - over 3 years
- Fixtures and fittings - over 5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

iii) Derecognition

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 or loss and included in 'Other operating (losses)/gains'.

This accounting policy has changed in the current year, the prior year treatment has been to expense all costs under £1,000, however the business is now retrospectively applying the capitalisation of all tangible assets greater than £100.

1.14 Cash and cash equivalents

The company only includes cash within this classification.

1.15 Provisions and contingencies

i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

1.15 Provisions and contingencies (continued)

ii) Contingencies
Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

The company does not have any contingent liabilities or assets.

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

Called up share capital represents the nominal value of the shares issued. The share premium account includes the premium on the issue of equity, net of any issue costs. retained earnings/accumulated losses represents the cumulative profits or losses, net of dividends paid and other adjustments.

1.17 Related party transactions
The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its' parent or with members of the same group that are wholly owned.

1.18 Operating lease commitments
Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2 Critical Accounting estimates and judgements

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.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect

2 Critical Accounting estimates and judgements (continued)

current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the tangible assets.

See note 12 and 13 for the carrying value of the intangible and tangible and note 1.13 and note 1.14 for the useful economic lives for each of the asset classes.

3 Prior year adjustment

There have been 5 prior year adjustments made in the financial statements, 4 of which are corrections of errors and one is due to a change in accounting policy as noted in the section above.

i) Change in VAT

It was identified during the year that the irrecoverable VAT balance has been calculated incorrectly under its partial exemption method resulting in an understatement. The impact of this restatement is to opening reserves in 2018 of £124,941.

ii) Change in deferred tax

As a result of the change of accounting policy regarding the capitalisation of tangible and intangible assets this gave rise to a deferred tax liability as a result of accelerated allowances. The impact of this restatement is to opening reserves is £57,548 for 2017 and £27,310 for 2018.

iii) Change in research and development tax credits

It was identified during the year that the research and development (R&D) tax credits were being recorded in the year in which the cash was received from the claim. Owing to the R&D tax credits being earned in the previous financial year they should therefore be recognised in that year. The R&D tax credits are both measurable and highly probable and therefore should be recorded in the year they are earned.

3 Prior year adjustment (continued)

The impact of this restatement is an increase is "Other operating income" in both 2016 and 2017, £140,236 and £53,452 respectively.

iv) Changes in accrued income and expenses
In the course of the year the company identified that the revenue generated in the April and May 2017 had not been accrued within the 2017 financial year. The impact of this restatement is to increase "Subscription Revenue" and "Annual platform charge revenue" in 2017 by £24,211 and £4,932 respectively.

In the course of the year the company identified that a number of expenses generated in May 2017 had not been accrued within the month. Individually the amounts were not

material and therefore did not warrant a prior year adjustment however in aggregate they are material and therefore an adjustment was required. The impact of the restatement is to decrease opening reserves by £23,241.

For completeness the same analysis was performed for 2016 and it was found that expenses were understated by £709, therefore the opening reserves for 2017 were reduced by £709.

v) *Change in Intangible and tangible asset accounting policy*
As described in the "Change in accounting policy" disclosure, the intangible assets have been capitalised and further tangible assets have been capitalised.

The impact of reclassifying expenses into capitalised intangible assets has reduced expenses in the both the year ending 31 May 2016 and 30 May 2017, £528,663 and £518,034 respectively. The balance sheet impact of this change has been to increase intangible assets at the start of the accounting period by £1,046,697 and an increase in shareholder funds of £1,046,697.

The impact of the reclassifying expenses into capitalised tangible assets has reduced expenses in the both the year ending 31 May 2016 and 30 May 2017, £11,125 and £11, 058 respectively. The balance sheet impact of this change has been to increase tangible assets at the start of the accounting period by £22,183 and an increase in shareholder funds of £22,183.

4 Analysis of revenue

The revenue and profit before income tax are attributable to the principal activity of the Company.

Analysis of revenue by geography:

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
United Kingdom	556,393	46,665	-
	556,393	46,665	-

Analysis of revenue by class of business:

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
Subscription	442,502	38,341	-
Annual platform charge	83,106	8,324	-
Data	30,785	-	-
	556,393	46,665	-

5 Operating loss

Operating loss is stated after charging:

	Note	2018	2017	2016
			(Restated)	*(Restated)*
		£	£	£
Staff Costs	8	832,317	500,418	108,732
Depreciation of tangible fixed assets	13	10,618	10,643	2,062
Amortisation of intangible assets	12	307,877	150,326	79
Operating lease charges		60,346	49,828	28,082
Foreign exchange differences		713	1,469	7

6 Other operating income

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
Other Operating Income - Tax Credits	169,084	193,688	140,236

Other operating income is research and development tax credits receivable from Her Majesties Revenue & Customs.

7 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2018	2017	2016
By Activity	No.	No.	No.
Selling and distribution	2	1	1
Administration	21	16	6
	23	17	7

	Note	2018	2017 *(Restated)*	2016 *(Restated)*
		£	£	£
Wages and salaries		731,890	451,539	104,970
Social security costs		78,601	48,879	3,762
Other pension costs	9	21,826	-	
Staff Costs		**832,317**	**500,418**	**108,732**

Directors

The directors' emoluments were are follows:

	2018	2017	2016
	£	£	£
Wages & salaries	137,200	99,667	56,000
Social security	16,414	11,513	5,805
Other pension costs	1,867	-	-
	155,481	111,180	61,805

Post-employment benefits are accruing for two directors (2017 & 2016: nil) under a defined contribution scheme. No directors (2017 & 2016: nil) were members of defined benefit schemes.

No director has a remuneration greater than £200,000 therefore the company is taking the exemption under SI 2008/410.

8 Employees and directors (continued)

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2018	2017	2016
	£	£	£
Wages & salaries	143,020	99,667	56,000
Social security	17,024	11,513	5,805
Other pension costs	1,987	-	-
	162,031	111,180	61,805

9 Post-employment benefits

The majority of the Company's employees are members of the Company's defined contribution scheme. The Company pays contributions into the scheme and has no further obligations to the employees. The risks associated with this type of plan are assumed by the member. Contributions of £21,826 (2016: nil) in respect to the current year are included in the income statement.

10 Net interest expense

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
Bank interest received	2,939	2,866	2,464

11 Income tax

a) Tax expense included in loss

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
Current tax:			
UK Corporation Tax on loss	-	-	-
Adjustment in respect of prior period	-	-	-
Total current tax	-	-	-
Deferred tax:			
Origination and timing differences	10,816	27,310	57,548
Impact of change in tax rate	-	-	-
Total deferred tax	10,816	27,310	57,548
Total tax expense included in other comprehensive income	10,816	27,310	57,548

b) Reconciliation of tax charge

Tax assessed is higher (2016: higher) than the standard rate of corporation tax in the UK for the year ended 31 May 2018 of 19% (2017: 20%) (2016: 20%). The differences are explained below:

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
Loss before tax	(3,116,424)	(1,759,943)	(276,439)
Profit multiplied by the standard rate of tax in the UK of 19%	-	-	-
Effects of:			
- Unrecognised deferred tax	10,816	27,310	57,548
Tax charge for the year	10,816	27,310	57,548

c) Tax rate changes

The tax rate for the current year is lower than the prior year, due to changes to the UK corporation tax rates, which decreased from 20% to 19% on 1 April 2017. Changes to the UK corporation tax rate were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17%

11 Income tax (continued)

from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12 Intangible assets

	Software
	£
Cost	
At 1 June 2017	1,197,102
Additions	650,580
At 31 May 2018	1,847,682
Amortisation	
At 1 June 2017	(150,405)
Provision for year	(307,877)
At 31 May 2018	(458,282)
Net book value	
At 1 June 2017	1,046,697
At 31 May 2018	**1,389,400**

The software intangible assets include the company's mobile application platform which was creased internally. The asset is carried at £1,388,739 (2017: £1,034,933). The asset is continuing to be developed and therefore the remaining amortisation period ranges from 3 years 2 months to 5 years. There are no other individually material intangible assets. The amortisation charge in the year has been charged through administration expenses.

13 Tangible assets

	IT Equipment	Fixtures & Fittings	Total
	£	£	£
Cost	35,899	5,669	41,568
At 1 June 2017	-	-	-
Additions	8,063	718	8,781
Disposal	-	-	-
At 31 May 2018	43,962	6,387	50,349
Depreciation			
At 1 June 2017	(10,741)	(1,964)	(12,705)
Charge for year	(9,584)	(1,035)	(10,619)
At 31 May 2018	(20,324)	(2,999)	(23,324)
Net book value			
At 1 June 2017	25,158	3,705	28,863
At 31 May 2018	**23,638**	**3,388**	**27,026**

The depreciation charge in the year has been charged through administration expenses.

14 Debtors

	2018	2017 *(Restated)*
	£	£
Other Debtors	191,526	216,526
Prepayments & Accrued Income	164,518	61,183
	356,044	277,709

15 Creditors: amounts falling due within one year

	2018	2017 *(Restated)*
	£	£
Trade Creditors	(78,578)	(49,574)
Taxation and social security	(108,222)	(106,559)
Other creditors	(31,304)	(1)
Accruals and deferred income	(179,388)	(4,604)
	(397,491)	(160,738)

16 Provisions for other liabilities

The company had the following deferred tax liability during the year:

	2018	2017 *(Restated)*
	£	£
Accelerated capital allowances	(94,880)	(84,858)
	(94,880)	(84,858)

There are unused tax losses however these loses have not been recognised as an asset in the current year.

The net deferred tax liability is expected to increase in 2019 by £6,216. The primarily relates to the increasing acceleration of capital allowances.

17 Share capital

	2018	2018
Allotted and fully paid	No.	£
At 1 June 2017	2,081,220	7,356,104
Issued during the year	13,643	136
At 31 May 2018	2,094,863	7,356,241

Ordinary shares of £0.00001 each.

On 16 August 2017 750 ordinary shares were issued for £7.50. There were no expenses on the issue of the shares.

On 14 February 2018 250 ordinary shares were issued for £2.50. There were no expenses on the issue of the shares.

On 13 March 2018 4,500 ordinary shares were issued for £45.00. There were no expenses on the issue of the shares.

On 14 March 2018 4,900 ordinary shares were issued for £49.00. There were no expenses on the issue of the shares.

On 16 May 2018 3243 ordinary shares were issued for £32.43 There were no expenses on the issue of the shares.

17 Share capital (continued)

There are three classes of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

18 Notes of the statement of cash flows

	2018	2017	2016
		(Restated)	*(Restated)*
	£	£	£
Operating loss	(3,127,240)	(1,787,253)	(333,987)
Amortisation of intangible assets	307,877	150,405	79
Depreciation of tangible assets	10,618	10,564	2,062
Working capital movements:			
- Increase in debtors	(78,335)	(86,693)	(191,017)
- Increase in payables	246,775	144,273	101,324
Cash flow from operating activities	(2,640,305)	(1,568,704)	(421,539)

19 Operating lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payment due	2018	2017
Not later than one year	68,659	45,675
Later than one year and not later than five years	-	-
Longer than five years	-	-
	68,659	45,675

20 Related party transactions

During the year the company bought £461 (2016: £115) of goods from Bloom & Wild Ltd. Mr Stanway, a director the company, is a director and shareholder of Bloom & Wild. No amounts were outstanding at the year-end (2016: £nil).

See note 8 for disclosure of the directors' remuneration and key management compensation.

21 Contingent Asset

The Company has held on going discussion with HMRC with regards to the recognition and categorisation of the VAT status of the differing supplies within the business. At the date of the signing of the financial statements there is an indication that economic benefits may flow to the Company in the form of a material VAT repayment from HMRC.

This contingent asset has not been recognised as an asset because at the time of the signing of the financial statements there is no certainty of the repayment, that economic benefits will flow to the business, and whilst discussions with HMRC indicate an agreed VAT method, they have not been finalised.

22 Events after the end of the reporting period

On 19 June 2018, the company completed its series B funding round. The company raised £13,972,153 with a new lead investor, Eight Roads Holding Ltd, becoming a shareholder.

As a result of the new funding there have been several share issues since the end of the financial year.

On 19 June 2018 158,765 ordinary shares were issued for £2,845,386. There were no expenses on the issue of the shares.

On 6 August 2018 400 ordinary shares were issued for £4.00. There were no expenses on the issue of the shares.

On 31 August 2018 210,015 ordinary shares were issued for £3,763,889. There were no expenses on the issue of the shares.