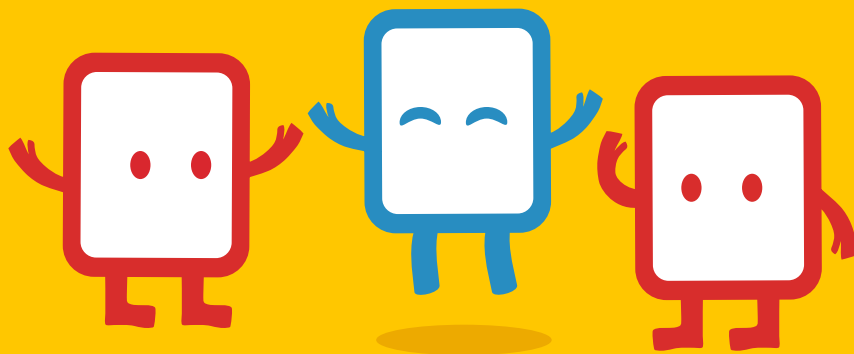




ClearBooks

Cloud Funding II



Share Information Document



Clear Books provides award winning cloud accounting software & easy to use cloud payroll and HR software to small businesses in the UK typically with less than 50 employees.



Important notice

Clear Books plc (Incorporated in England and Wales under the Companies Act 2006 with registered number 06636109)

Offer of up to 275,000 New Ordinary Shares at a subscription price of £12.00 per New Ordinary Share.

This Share Information Document, which is not a prospectus, but which is a financial promotion, is issued by Clear Books plc ('Clear Books' or the 'Company') and has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 ('FSMA') by Brunel Capital Ltd ('Brunel'), which is authorised and regulated by the Financial Conduct Authority ('FCA'), on behalf of Clear Books and is for use only by Clear Books and the potential Investors to whom it is addressed. Brunel is acting for Clear Books only and will not be responsible to any other person for providing protections afforded to clients and will not give any advice to any potential

Investors or to any other person as recipients of this Share Information Document or otherwise. Brunel has given, and has not withdrawn, its consent to the inclusion of the reference to its name in the form and context in which it is included.

No person has been authorised to issue any promotion or give any information or make any representations in connection with the Share Offer, other than those contained in this Share Information Document and, if issued, given or made, such promotions, information or representations must not be relied upon as having been authorised by Clear Books or Brunel.

All information contained in this Share Information Document has been provided by Clear Books and has not been independently verified by Brunel. No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and opinions contained herein and no responsibility or liability is

accepted for the accuracy or sufficiency of any of the information or opinions, for any errors, omissions or misstatements, negligent or otherwise, or for any other communication, written or otherwise in connection with the proposed investment. Potential Investors should read the whole of this Share Information Document. In particular, your attention is drawn to the section headed "Risk factors" on pages 53-60 of this document.

Accordingly, neither Brunel nor Clear Books shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in this document or in any future communication in connection with such proposed investment. All recipients are strongly recommended to take independent professional advice before applying to invest in Clear Books and should not place reliance on any statement of fact or any information or opinion set out in this document in substitution for, or in preference to, such advice.

This Share Information Document does not constitute a formal offer, being capable of acceptance, or invitation to purchase or acquire any securities in any company or any interest therein, nor shall it form the basis of any contract for the sale of securities in any company.

The New Ordinary Shares will be unlisted securities. No application will be made for admission of the

New Ordinary Shares to the Official List of the United Kingdom Listing Authority ('UKLA') or to the AIM Market of the London Stock Exchange. Further, neither the UKLA nor the London Stock Exchange has examined or approved the contents of this Share Information Document.

The New Ordinary Shares will not be dealt on any other investment exchange (whether recognised or otherwise) and no application has been or is being made for the New Ordinary Shares to be admitted to trading on any such exchange or market.

The New Ordinary Shares have not been and will not be registered under the United States Securities Act 1933 or under the securities legislation of any state of the United States and may not be offered or sold in the United States or to any US persons.

The New Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, the Republic of Ireland, South Africa, Japan or any other jurisdiction. The distribution of this Share Information Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Share Information Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions.

The Board of Directors of Clear Books recommends that applications to subscribe for shares pursuant to the Share Offer should be made only by sophisticated investors who are high net worth individuals.

The past performance of the Company should not be regarded as an indication of the future performance of the Company. There is no guarantee that dividends will be paid. Eligibility for and continuation of EIS relief is not guaranteed. If you are considering an investment in Clear Books, you are recommended to seek your own professional advice immediately from your stockbroker, bank manager, solicitor, accountant and any other independent financial adviser authorised under Financial Services and Markets Act 2000. Any forecasts or goals are not a reliable indicator of future performance, and may change over time.

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Working ***“Together in business”*** it is our mission to support the small business community of Great Britain. Clear Books provides award winning cloud accounting software and easy to use cloud payroll and HR software that helps seven thousand small businesses save time and be more efficient.

We are proud to be different. In September 2013 more than 700 people invested £840k in our innovative Cloud Funding share offer. Clear Books became part owned by the small business community that uses the software every day.

Cloud Funding II is your opportunity, subject to the terms, conditions, qualifications and reservations set out in this document, to own part of Clear Books.

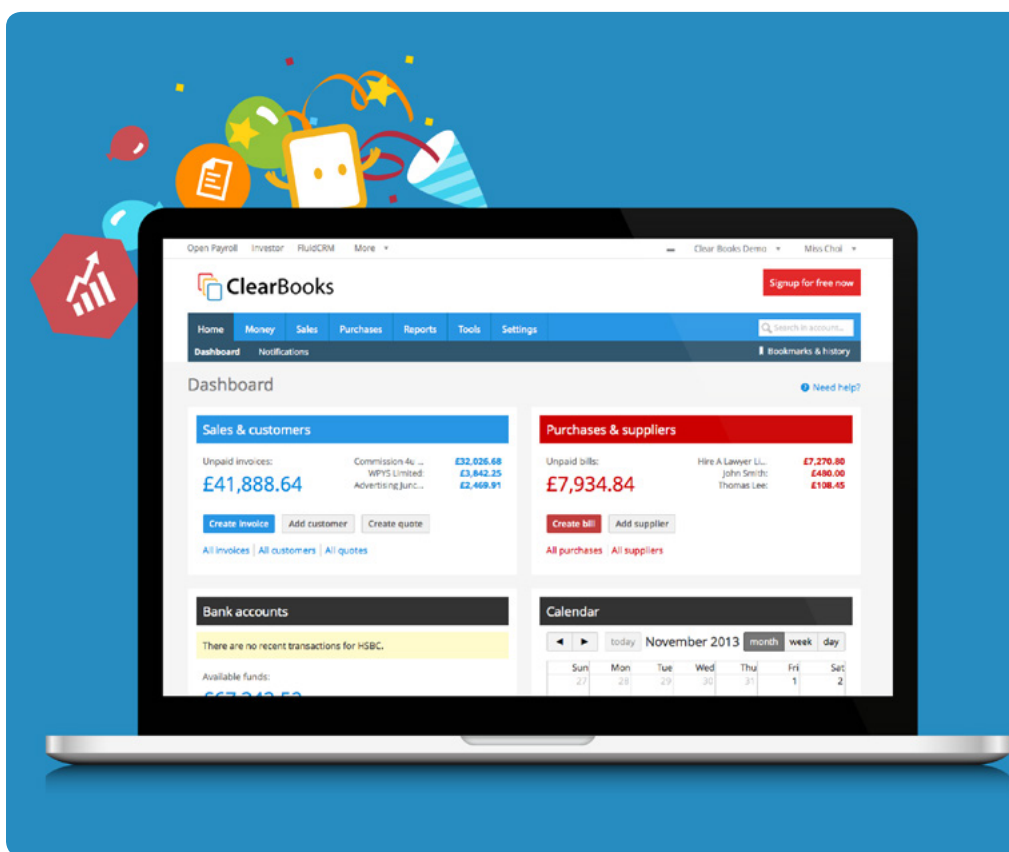
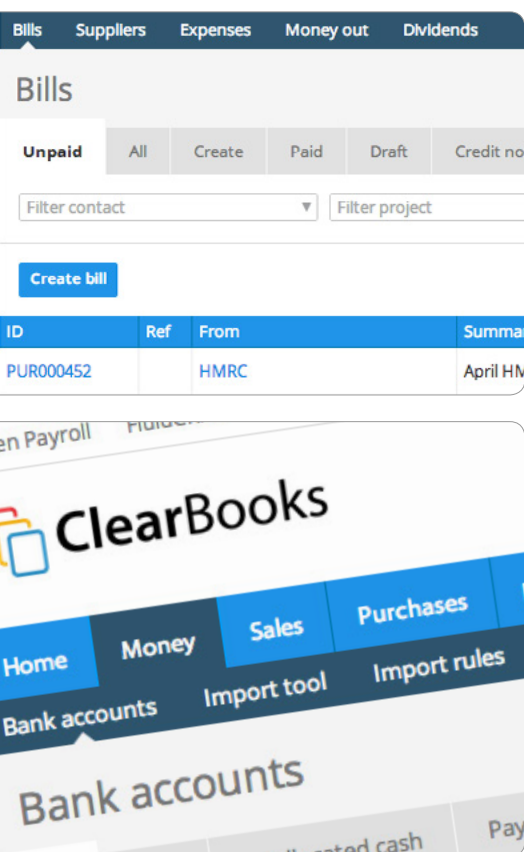
Key information

Any decision to invest in Clear Books should be based on this Share Information Document as a whole. In particular, prospective Investors should read “Risk factors” on pages 53-60 of this document and the “Important notice” on pages 3-5 of this document.

Clear Books intends to raise £3.3m to pursue a strategy to increase the number of small businesses that use Clear Books.

Share offer

Issuer	Clear Books plc
Shares Offered	275,000 New Ordinary Shares
Offer Price	£12.00
Amount to be raised through the issue of New Ordinary Shares	£3,300,000
Minimum Investment	£12.00



Expected timetable

Existing shareholders of Clear Books will be invited to invest from the Shareholder Offer Date. Prospective Investors who are registered on the Company's Cloud Funding waiting list will be invited to invest from the Waiting List Offer Date. The public will be invited to invest from the Offer Date.

This timetable is indicative only. Clear Books reserves the right to change any of the dates including extending the Closing Date or closing the Share Offer early, in which case the dates referred to will change accordingly. Clear Books reserves the right to accept or reject oversubscriptions.

Shareholder Offer Date	23rd June 2014
Waiting List Offer Date	14th July 2014
Offer Date	4th August 2014
Closing Date	24th August 2014





Letter from Tim Fouracre, CEO and founder

Dear Investor,

On behalf of the team at Clear Books, I am delighted to present to you a second opportunity to invest in a British technology company with the launch of Cloud Funding II.



We also have some good news for shareholders. I am pleased to update you on our recently announced partnership with Santander and Business Centric Services Group. Clear Books is the accounting software used in Santander's iBusinessHub, which was launched on 23rd June 2014. The iBusinessHub offers bundled packages of small business software exclusively to Santander's 250,000 small business customers in the UK. Depending on the number of customers who subscribe, the partnership has the potential to be a significant source of growth for Clear Books.

In September 2013 Clear Books launched Cloud Funding and successfully raised £840k in a groundbreaking approach to an initial public offering.

The success of Cloud Funding is a reflection of our team's innovative ability to do things differently.

We developed our own crowdfunding platform to accept investments and issue share certificates to over 700 shareholders, many of whom are small business customers of Clear Books. The offer was oversubscribed with an additional £1.1m pledged.

The funds raised were intended to establish our Clear Books Pro division to partner with accountants and help them collaborate with their clients online. We are increasingly confident that this strategy is working.

Cloud Funding is back. To build on our momentum, which saw revenue increase 74% to £823k for the year ending 31st March 2014, we are launching Cloud Funding II with the intention to raise £3.3m to execute a strategy to grow the number of small businesses that use Clear Books.

Our vision is to be the market leader of cloud business software to SMEs in the UK, our mission is to work together in business to support small British businesses and our goal is to have 200,000 small business customers.

I look forward to you joining me and the team in this next chapter of the Clear Books story.

Yours sincerely,

A handwritten signature in black ink that reads "Tim Fournere". The signature is written in a cursive, flowing style.

Accounting software industry

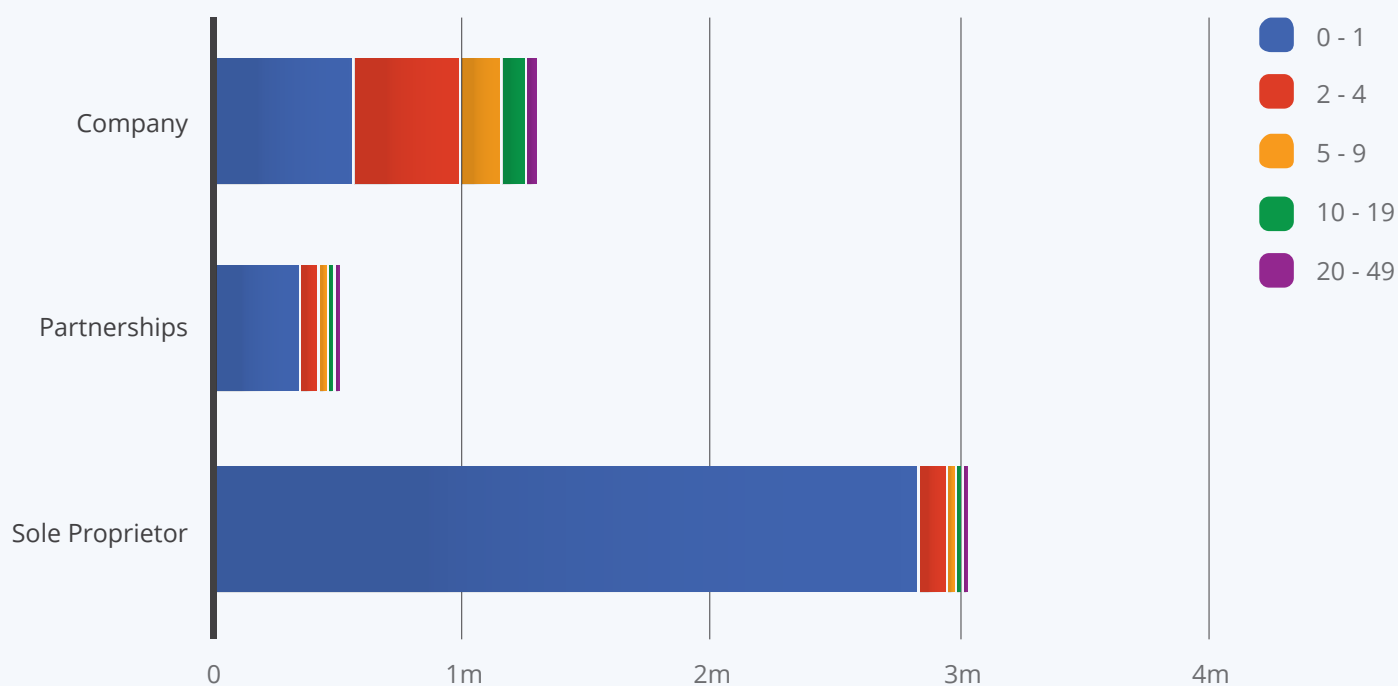


Market size

The Department for Business Innovation & Skills ('BIS') estimates that the 2012 UK business population with less than 50 employees in the private sector was 4.8m businesses, made up as follows:

- 1.3m companies.
- 0.5m partnerships.
- 3.0m sole proprietors.

Number of UK SMEs by number of employees



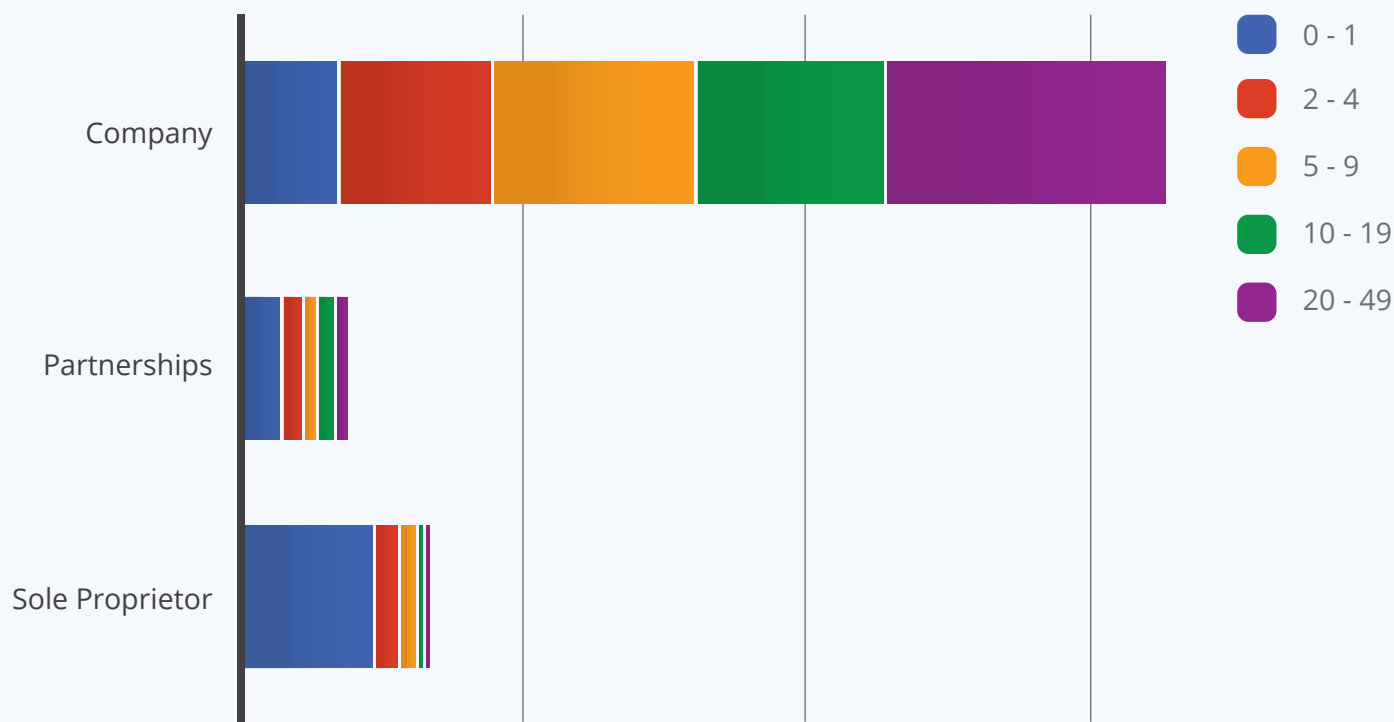
Source: Department for Business, Innovation & Skills, published 17th October 2014.

Company 1.3m
Partnership 0.5m
Sole proprietor 3.0m

4.8m

Despite there being more than twice as many sole proprietors as companies, BIS estimates that the total revenue generated by SMEs is concentrated among the 1.3m companies. Indeed, the companies generated £820bn in revenue, accounting for 76% of the total revenue generated by SMEs.

Total revenue of UK SMEs by number of employees



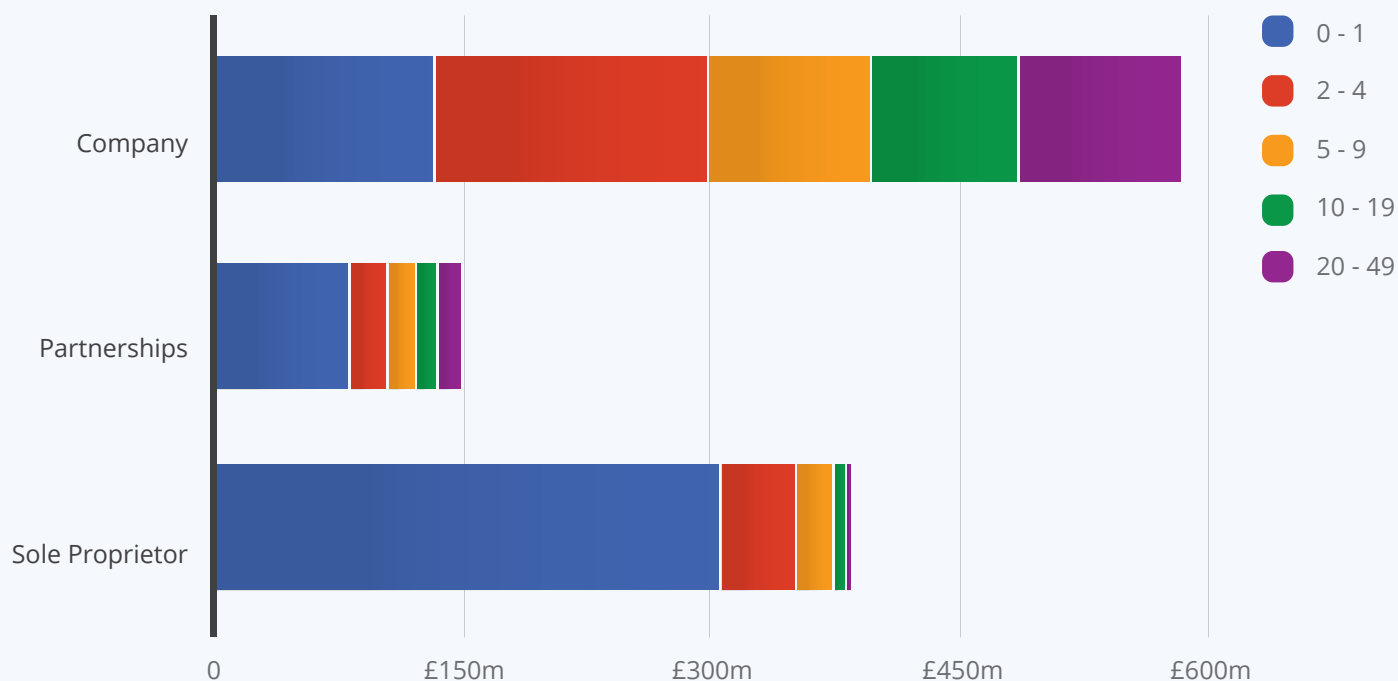
Source: Department for Business, Innovation & Skills, published 17th October 2014.

Market opportunity

The Company estimates this is a £1bn market opportunity.

Applying the Company's pricing per employee for its cloud software (including accounting, payroll and HR) to the addressable market of small businesses with less than 50 employees, the Company estimates that the market opportunity is in excess of £1bn per annum.

Revenue opportunity of UK SMEs by number of employees



Source: Clear Books' estimates.

Company £590_m
+Partnerships £150_m
+Sole Proprietors £385_m

£1.1bn

There is a significant opportunity for Clear Books to grow in the UK.

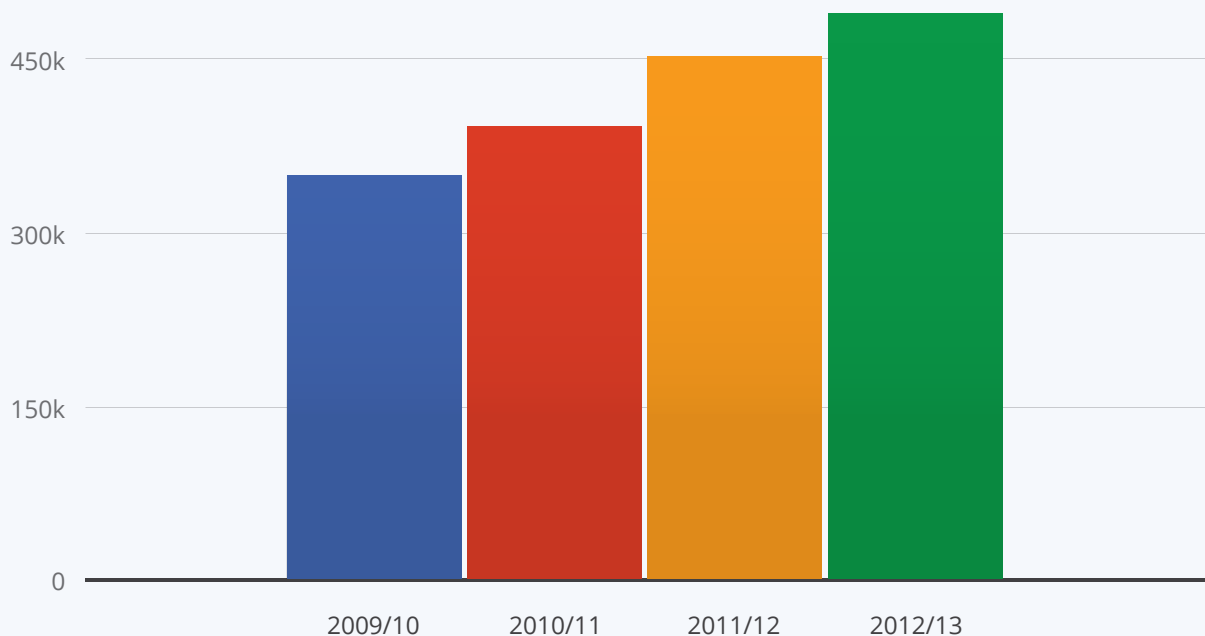
- 7k small businesses use Clear Books.
- 200k small business customers is the Company's goal.
- 483k companies incorporated in 2013.
- 4.8m private businesses in the UK with less than 50 employees.

There are thousands of new businesses incorporated in the UK every month and the recent trend is that more businesses are incorporating every year.

Data from Companies House shows that in 2013 a total of 483k companies incorporated, up 6% on the previous year's 456k.

This is the sweet spot for Clear Books - the newly started small and owner managed businesses looking for simple and easy to use accounting software paid on a cost effective pay as you go basis rather than as a large upfront investment. These potential customers have no data migration or legacy software issues. Instead they can fully embrace the advantages of cloud accounting software.

Number of new companies incorporated in the UK



Source: Companies House, Statistical tables on companies registration activities 2012/13.

Progress



	Then August / September 2013 Cloud Funding	Now May / June 2014 Cloud Funding II
Reported annual revenue	£474k Financial year ending March 2013	£823k Financial year ending March 2014
Monthly revenue	£60k	£100k
Customers	5,000	7,000
Bank partnerships	None	Santander
Awards	None	UK Cloud Awards 2014 Accounting product of the year
Office space	1,450 sq ft Masters House	6,450 sq ft Masters House & Lyric House
Staff	19	33
Customer support	Ticketing, community	Ticketing, community, online chat & telephone
Shareholders	3	736
Share price	£8.94	£12.00
Pre-money valuation	£18m	£25m

Cloud Funding reminder

In September 2013 Clear Books re-registered as an unlisted plc and launched Cloud Funding to crowdfund from its customer base. Cloud Funding established an innovative means of raising capital with strong demand from the Company's community of small business customers. Highlights include:

- Built a bespoke crowdfunding platform.
- Raised the full £840k from over 700 investors in less than 40 days.
- Created a shareholder register of customer advocates.
- Coverage in FT, Forbes, TechMarketView, Growing Business, Cloud Pro.
- The Cloud Funding share offer was oversubscribed with more than 400 applicants, pledging £1.1m in total, added to a waiting list to be updated on future Cloud Funding rounds.



The funds raised from Cloud Funding were intended, and are being used, to grow Clear Books Pro, the Company's go-to-market strategy to focus on the accountant reseller channel.

Accounting practices have historically had problems streamlining workflows when dealing with hundreds of clients all using different software packages, inefficiencies with the back and forth of data files, and the inability to collaborate on the same set of accounts with their clients in real time.

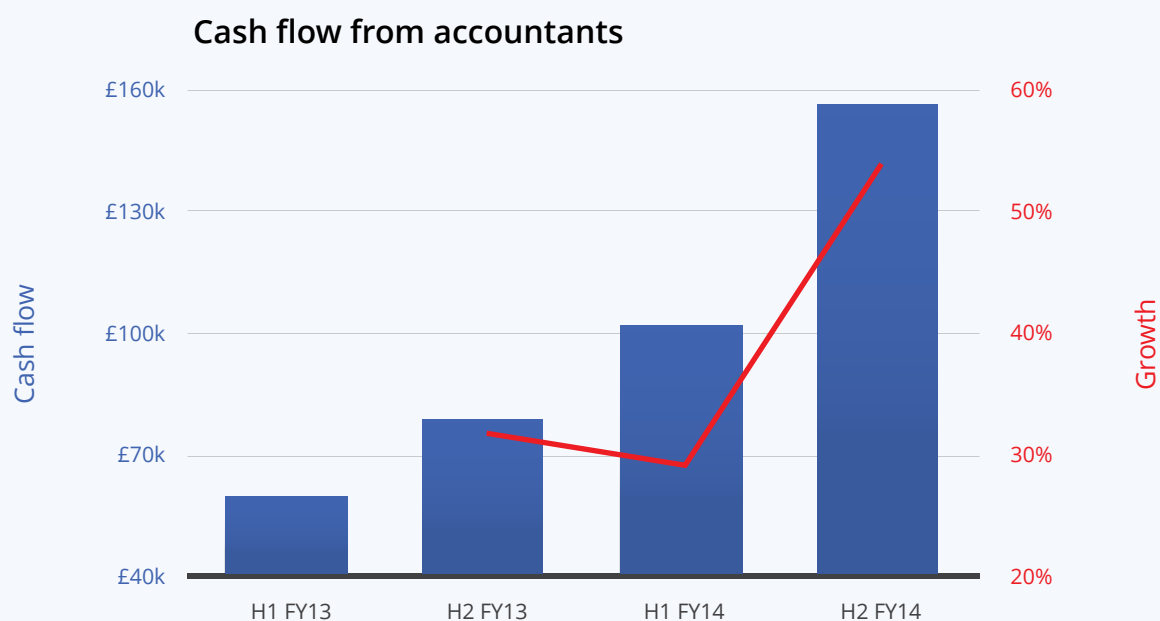
Clear Books solves these problems.

The Company continues to execute its Clear Books Pro strategy and highlights include:

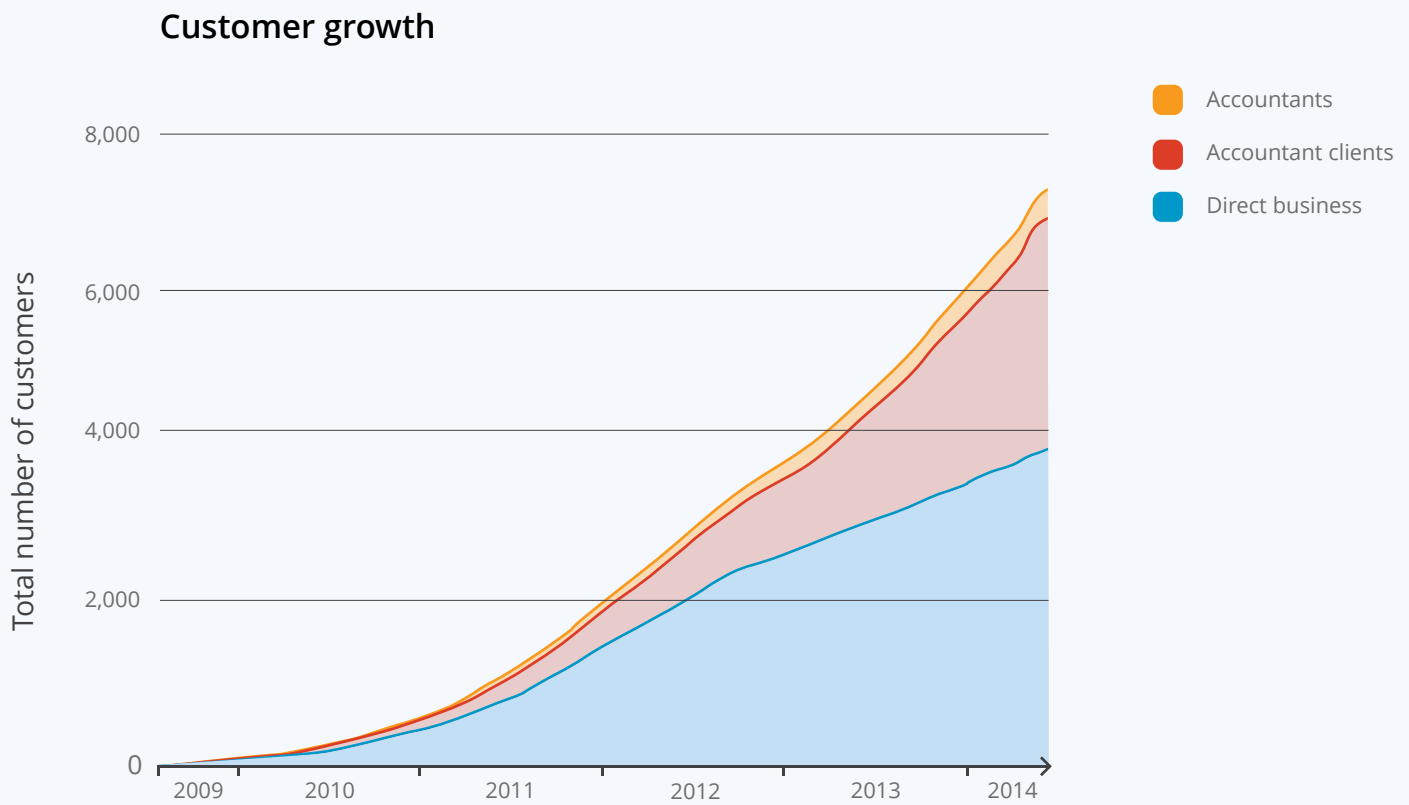
- Set up a formal account management team.
- Established a sales team.
- Exhibited at industry trade shows.
- Hosted networking events for accountants in practice.
- Presented to accountants at Open Days at the Company's training centre.
- Marketed to key online accounting communities with display advertising and email campaigns.

Growth

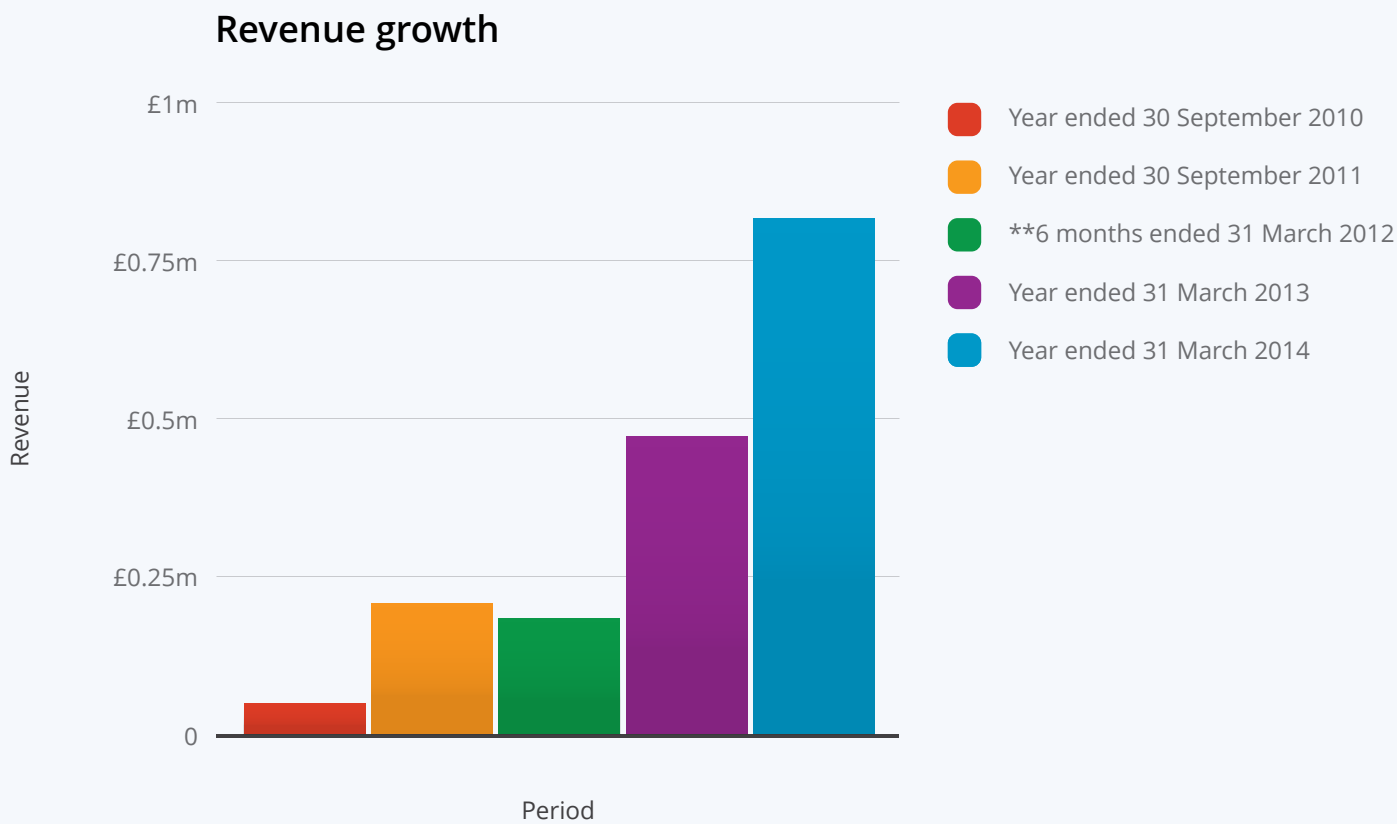
The Directors believe Clear Books Pro is working. Cash flow from accounting partners increased at its fastest rate over a two year period, up 54% from the first half of FY14 (1st April 2012 to 30th September 2013) to the second half (1st October 2013 to 31st March 2014).



There has been continued growth in the number of small businesses, accountants and their clients using Clear Books. The Company now has 7,000 customers.



Revenue for the Company increased by 74% to £823k for the financial year ending 31 March 2014.



Historical financial information



The information in this section is extracted from Clear Books' audited financial statements for the year ending 31 March 2014 and unaudited financial statements for the other years.

Summary profit & loss

	Year Ended 31 Mar 2014	Year Ended 31 Mar 2013	** 6 Months Ended 31 Mar 2012	Year Ended 30 Sept 2011	Year Ended 30 Sept 2010	Year Ended 30 Sept 2009
Income	822,919	473,565	186,122	206,243	49,338	1,405
Cost of Sales	-126,170	-121,609	-10,613	-27,602	-2,134	-
Gross Profit	696,749	351,956	175,509	178,641	47,204	1,405
Administrative Costs & Tax	-746,869	-416,830	-263,469	-270,275	-65,459	-1,350
Profit/(Loss)	-50,120	-64,874	-87,960	-91,634	-18,255	55

Figures in the table above are shown in £s

The Company's full audited accounts for the financial year ended 31 March 2014 can be found in the section "Further information".

** Note this is a six month financial period due to a change of year end from September to March.

Summary balance sheet

	Year Ended 31 Mar 2014	Year Ended 31 Mar 2013	** 6 Months Ended 31 Mar 2012	Year Ended 30 Sept 2011	Year Ended 30 Sept 2010	Year Ended 30 Sept 2009
Fixed assets	71,407	35,546	30,678	20,341	3,968	0
Cash	818,030	228,009	139,492	92,766	66,501	20,695
Other assets	131,738	106,414	14,193	34,804	15,258	10,205
Total assets	1,021,175	369,969	184,363	147,911	85,727	30,900
Shareholder loans	-	-199,110	-296,154	-242,692	-101,563	-30,000
Other liabilities	-132,956	-133,345	-86,009	-15,081	-2,360	-841
Total liabilities	-132,956	-332,455	-382,163	-257,773	-103,923	-30,841
Net assets/ (liabilities)	888,219	37,514	-197,800	-109,862	-18,196	59

Figures in the table above are shown in £s

The Company's full audited accounts for the financial year ended 31 March 2014 can be found in the section "Further information".

** Note this is a six month financial period due to a change of year end from September to March.

Investment programme



Icons of Clear Books

The Company intends to raise £3.3m to develop its direct business strategy.

The principal assumptions upon which the investment programme is based are summarised below and are subject to the risks specified in the section “Risk factors” on pages 53-60 of this document and the “Important notice” on pages 3-5 of this document.

The investment programme has been prepared on the basis of assumptions as to future events that the Directors reasonably expect to occur, and in association with the actions the Directors reasonably expect to take, as at the date the information was prepared. However, these matters are not promised

or guaranteed and prospective Investors should rely on their own assessments based on evaluations by their own professional advisers as to the quality of these assumptions and the weight to be placed on them.

The investment programme has been prepared for the purposes of this Share Information Document and may not be suitable for any other purpose. There is no present intention to update this investment programme or to publish it in the future. Prospective Investors must consider the assumptions described below in order to fully understand the investment programme.

Principal assumptions

Direct business strategy

The funds from Cloud Funding are helping the Company establish Clear Books Pro, to focus on marketing to accountants in practice and to onboard their clients. The Directors believe this strategy is beginning to work as outlined in the section “Progress” on pages 19-22 of this document.

It is the intention that Cloud Funding II will help accelerate a direct business strategy to attract, convert and retain those small businesses that choose accounting software independently of their accountant or who do not have an accountant. A survey carried out by Clear Books at the end of 2013 revealed that 31% of the small businesses that responded did not have an accountant.

The Directors believe that, in addition to general marketing activities, the Company needs to develop marketing capability and intellectual property to differentiate its approach. Accordingly, it is intended that part of the direct business strategy will be a proprietary prospecting system that the Company's development team has been prototyping. This system is tasked with:

- Gathering data on the 3m active companies in the UK registered at Companies House; and
- Automating marketing communications to those companies.

It is the intention that, where sufficient data has been collected, the proprietary prospecting system will create campaigns targeting industry subsets and a variety of communications will be sent automatically consisting of emails and direct mail. These communications will be complemented by sales calls as appropriate.

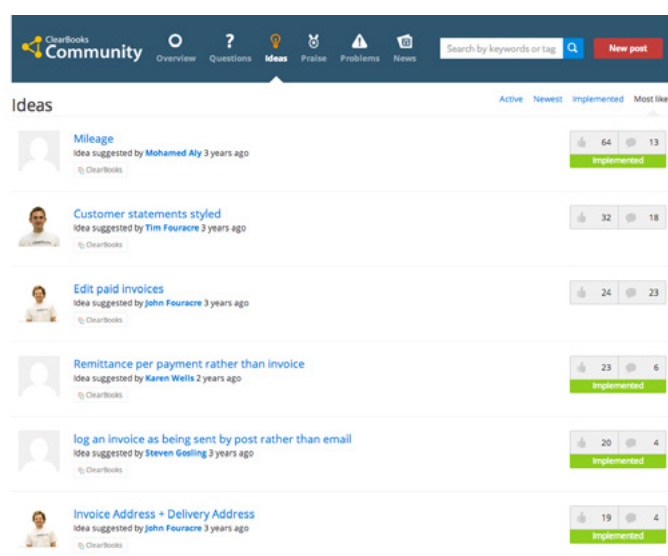
Around this proprietary prospecting system the Company intends to create teams including development, data mining, analysis, training and sales.

The budgeted allocation of the £3.3m within a two year time period is broken down as follows:

Engineering £0.6m

The Company intends to recruit additional developers to take its proprietary prospecting system from prototype to production.

Additionally, the Company intends to continue to expand its SaaS engineering team to further develop its cloud accounting, payroll and HR software. The engineering team recently revamped the Clear Books Community forum, which the Company increasingly relies upon as the means of identifying and implementing the popular ideas suggested by its small business customers, accounting and bookkeeping partners.



Further, the Company believes it is important to develop the migration tools to allow existing businesses using desktop software to move over to the cloud on Clear Books.

Advertising To raise brand awareness among small businesses in the UK, the Company intends to set aside an advertising budget for direct mail, exhibitions, events, display ads, adverts and other advertising activities.	£0.6m	Training As part of the direct business strategy, the Company intends to establish a dedicated team to teach and train small business customers on how to use the software.	£0.1m
Sales To capitalise on the awareness generated by marketing and advertising activities and the Company's prospecting system, the Company intends to establish a sales team focused on growing the number of small business customers using Clear Books and assisting trial users to convert them into paid customers.	£0.5m	Support & hosting The Company intends to build out the hosting infrastructure to support expected growth. The Company intends to add to its support team, recruiting a mix of accountancy and front line customer service expertise.	£0.3m
Other operating costs & working capital It is expected that a bigger team will lead to an increase in other operating costs including a larger back office team and increased working capital requirements.	£0.4m	Business development The Company intends to set up a business development team with the intention of pursuing partnerships with other business to business service providers, similar to the deal done with Santander.	£0.2m
Design To improve the aesthetics and usability of the software, the Company intends to recruit front end developers and interface designers.	£0.2m	Innovation The Company intends to establish a separate web development team focused solely on innovative new applications, some of which are already in beta, such as Final Accounts, Tax and Practice Management software.	£0.1m
Marketing The Company intends to add to its digital marketing team to extend activities around search engine optimisation, search engine marketing, email campaigns, copy, content and communication.	£0.2m	Fixed assets It is expected that with a bigger team there will be an increase in the requirements for hardware and other fixed assets.	£0.1m



Flexibility

It is intended that the funds raised from the Share Offer will be used as outlined in the investment programme and in this Share Information Document, however, the Directors are aware that Clear Books needs to be flexible with its plans, operations, targeted milestones, strategies and affairs so that it can, quickly and at short notice, respond to changes in the accounting industry, software industry, its competitive environment and insights it gains about its operations, costs and investment requirements as the business grows, as well as other changes. Accordingly the Company's investment programme as described in this Share Information Document is very much subject to change.

The Directors believe that the funds raised under this Share Offer will enable Clear Books to pursue its current business strategy. However, events such as a change in strategy, financial performance, not meeting expectations or a desire to accelerate its expansion plans may require Clear Books to alter its intended policy and/or to raise further capital in the future.

Santander's iBusinessHub

Santander

Santander's iBusinessHub, launched on 23rd June 2014, offers bundled packages of small business software to Santander's 250,000 small business customers in the UK.

Clear Books is the accounting software selected for the Finance & Customer Manager bundle.

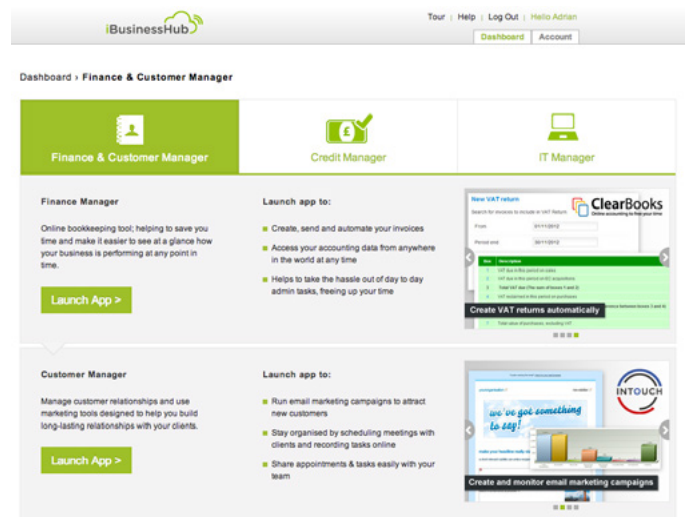
The structure of the iBusinessHub is a modular subscription based offering containing three initial bundles of small business software:

1. Finance & Customer Manager – Clear Books & Intouch CRM
2. Credit Manager – CreditHQ – Experian & Attradius
3. IT Manager – Mozy, Littlefish & Skillsoft

Each bundle is priced at £19.50 per month with discounts available when more than one bundle is purchased.

Santander

Santander UK plc, part of the Santander Group, is a leading financial services provider in the UK, offering a wide range of personal and commercial financial products and services.



The iBusinessHub, accessible at www.ibusinesshub.co.uk, is targeted at Santander's small business customers, typically with less than 50 employees. When signed up to the iBusinessHub, Clear Books is easily accessible on a 30 day free trial through a seamless integration with the iBusinessHub's single user sign on system.

The iBusinessHub has been put together for Santander UK plc ('Santander') by Business Centric Services Group ('BCSG').

Santander is committed to building its presence in small and medium sized enterprises and has 250,000 small business customers in the UK.

Santander is the third largest bank in the UK in terms of deposits, the second largest in terms of mortgages held, and the fourth largest in terms of branches operated, with over 25m customers. The bank has more than 1,300 branches and employs over 25,000 people throughout the UK.

In 2004 Santander acquired Abbey National plc and in 2008 it acquired Alliance and Leicester plc.

Business Centric Services Group

BCSG is a leading provider of products and services to small businesses. BCSG works with large corporations, including Santander and Barclays, to deliver market leading products to over 120,000 small business customers worldwide.

BCSG has a track record delivering solutions similar to Santander's iBusinessHub to other UK banks. In 2011 BCSG launched MyBusinessWorks for Barclays which includes accounting software Sage and Intuit's QuickBooks. Tens of thousands of customers have signed up to MyBusinessWorks.

Opportunity



Santander's iBusinessHub has the potential to be a significant source of growth for Clear Books, however, the success of the iBusinessHub is outside Clear Books' control. Success is dependent on Santander's staged roll out to its customers, the implementation

of Santander's go-to-market strategy and the uptake of the iBusinessHub by Santander's small business customers who will pay a £19.50 monthly subscription fee for the Finance and Customer Manager bundle that includes Clear Books.

For confidentiality reasons Clear Books is unable to disclose financial terms including revenue projections. However, the terms are priced at a reseller discount given the expectation that the partnership will provide high volume customer growth. It is expected that revenue from the deal will drop to Clear Books' bottom line faster given that front line support is part of the iBusinessHub and not serviced by Clear Books.

The agreement is non-exclusive which gives Clear Books the freedom to pursue further volume reseller partnerships and use the kudos from this partnership with Santander as a platform for new opportunities.

Clear Books retains its branding within the iBusinessHub thus raising its awareness among Santander small business customers.



The banner features a dark background with lightbulb illustrations. At the top, the iBusinessHub logo is displayed. Below it, a green bar contains the text 'MAKING YOUR BUSINESS LIFE EASIER'. The main content is divided into two sections. The left section lists three benefits of iBusinessHub, each with a numbered green circle and a list of partner logos. The right section promotes a '30 DAY FREE TRIAL' with a 'Sign up today' button and a 'Login' link. The footer contains the copyright notice 'iBusinessHub © 2014' and contact information.

iBusinessHub

MAKING YOUR BUSINESS LIFE EASIER

iBusinessHub is available exclusively to Santander Business Banking customers and offers 3 packages of small business software...

- 1 Stay on top of the admin created by customers and doing your finances
ClearBooks INTOUCH
- 2 Help you get paid on time
Experian CreditHQ
- 3 Make sure you have support when your computer lets you down
mozy littlefish

Making it easier to do the tasks that get in the way of making money or having a bit more "you" time. [Find out more >](#)

30 DAY FREE TRIAL
No payment details required

Sign up today

[Login](#)

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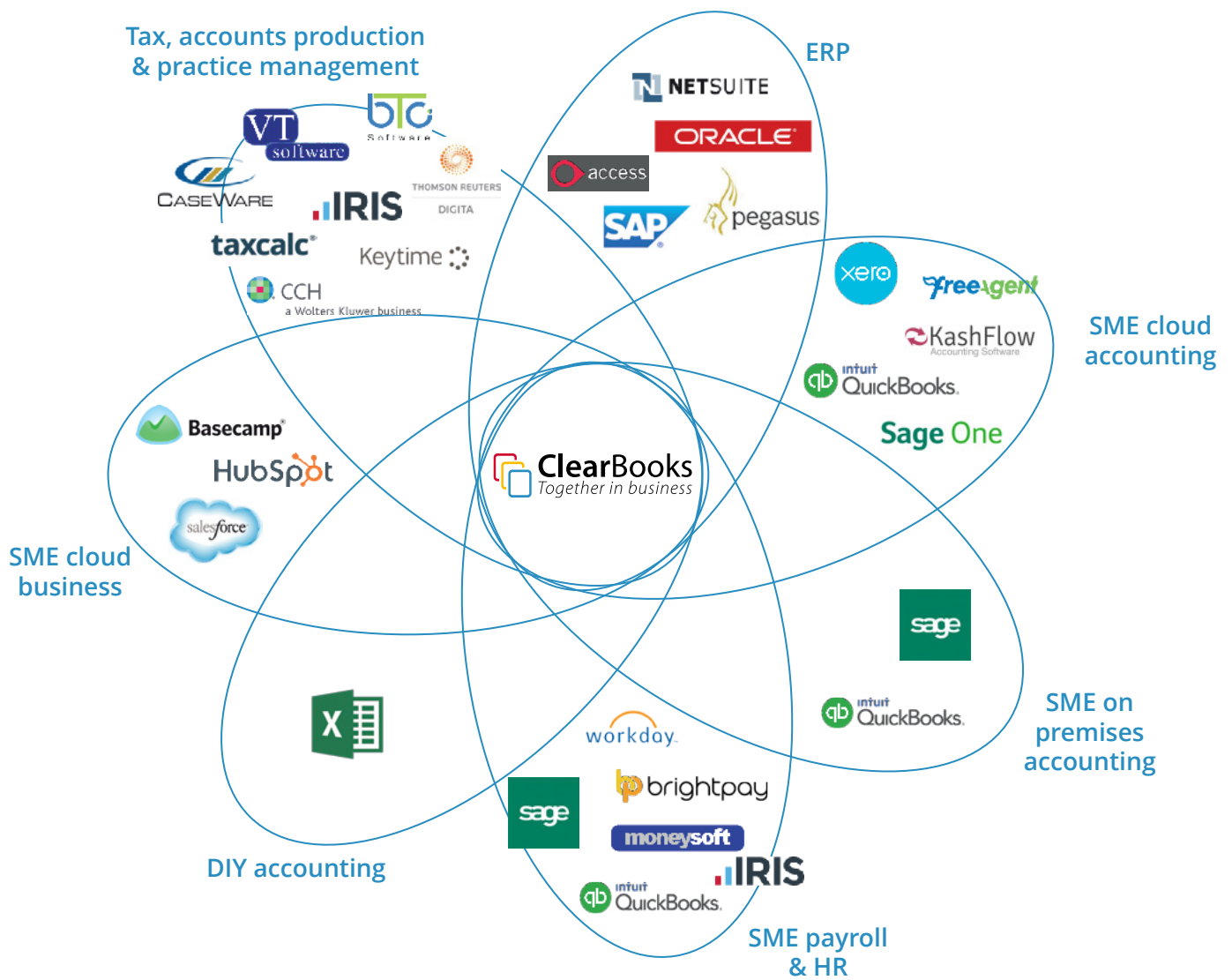
Competition

clearbookspro.com







Cloud services for
sole practitioners and
startup accountants





Cloud comparison

	 ClearBooks	 freeagent	 KashFlow Accounting Software	 xero
CEO is systems architect & an accountant	✓	✗	✗	✗
ICAEW accredited	✓	✗	✗	✓
ICB accredited	✓	✗	✗	✓
Founded in the UK	✓	✓	✓	✗
Automatic bank feeds	✓	✓	✗	✓
Cloud payroll & HR for UK	✓	✗	✓	✗
UK mileage calculator	✓	✓	✗	✗
Budget tool	✓	✗	✗	✓
Telephone support	✓	✓	✗	✗
Online chat support	✓	✓	✗	✗

This table compares features of some of the direct cloud competitors to Clear Books in the UK and is compiled to the best of the Company's knowledge at the time of writing. Please note that there may be features that these cloud providers have that the Company does not have and that there are other cloud competitors.

The incumbent

Clear Books provides accounting software on demand over the Internet. This is in contrast to the long established delivery method which involves installing software on a desktop. The majority of small businesses in the UK still use desktop accounting

software and The Sage Group plc dominates this market in the UK.

Sage, founded in 1981, is listed on the London Stock Exchange, forming part of the FTSE 100. Sage's

main focus is on the small and mid-market business software market, with companies that employ less than 100 staff, although it also has offerings for larger

businesses. It has more than six million customers worldwide and revenue in excess of £1bn per annum.

Valuations

Clear Books is priced at £25.3m on a pre-money valuation which is 31x its historical annual revenue of £823k for the year ending 31st March 2014. Revenue for the Company grew 74% year on year to 31st March 2014.

For comparison purposes, below are revenue and valuation statistics, where publicly available, for related listed companies or companies expected to list soon.

For prospective Investors who are eligible to benefit from EIS (subject to the requisite authorisation being provided to the Company by HMRC) and who maximise the 30% income tax relief available, the pre-money valuation (inclusive of tax reliefs) is equivalent to £17.7m which is 22x historical revenue.



	Revenue	Annual revenue growth	Market capitalisation	Valuation multiple
The Sage Group	GBP £1.4bn	+3%	GBP £4.6bn	3x
Intuit	USD \$4.2bn	+10%	USD \$22.1bn	5x
Clear Books	GBP £0.8m	+74%	GBP £25.3m (£17.7m with EIS)	31x (22x with EIS)
Xero	NZD \$70m	+80%	NZD \$4.6bn	66x
The Big Red Cloud Group	Euro €1.3m	+7%	Planned IPO	N/A

Sources: Market capitalisation taken from Google Finance as at 31 March 2014 and revenue from recent published accounts.

Clear Books plc



Directors & Company secretary



Tim Fouracre ACA - Director, CEO & founder

Tim graduated from the University of Nottingham with a degree in Mathematics in 2003. He worked at Fubra Ltd as a web developer, qualified as a Chartered Accountant at KPMG in 2007 and worked at Arbuthnot Securities as an Equity Research Analyst. He founded Clear Books in July 2008 and developed the original software. Tim sits on both the council of BASDA and the ICAEW IT Faculty. He won Hammersmith and Fulham's young entrepreneur of the year award in 2012 and was recently listed in the Accountancy Age 2014 '35 under 35' which showcases some of the profession's brightest young talent.



Lizzie Fouracre - Director, COO

Lizzie spent a year teaching English in Tanzania before graduating from the University of Central England in 2008 with a degree in Media and Communications. In 2009 Lizzie started a graduate business scheme at a Microsoft Consultancy before joining Clear Books in 2010. As the Company's third longest serving employee she is one of the most experienced female executives in the UK cloud accounting software industry. She oversees the day to day operations at Clear Books.



Brendan McLoughlin - Non-executive director & co-founder

Brendan is an Executive Director at Fubra Limited, a company he founded in 2000 focused on web hosting and online advertising. He has made a number of early stage investments through Fubra. He provides new ideas to help power Clear Books' growth and to constructively challenge the Company's strategy.



Paul Maunders - Non-executive director & co-founder

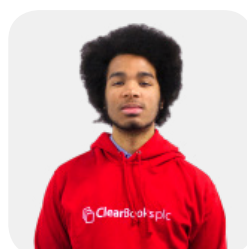
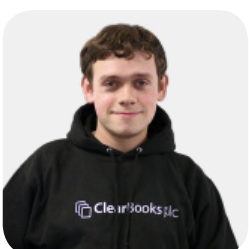
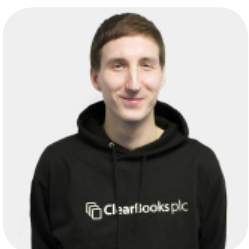
Paul is the Operations Director of Fubra Ltd and also a co-founder. A geek at heart, Paul learned to code on his BBC micro when he was 8 years old, and retains a deep curiosity in emerging technology trends. Paul has known Tim since they studied their A-levels together and he wrote the invoicing system that helped form the first version of Clear Books in 2008.

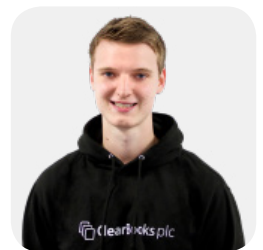
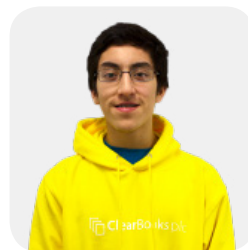
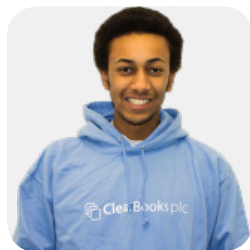
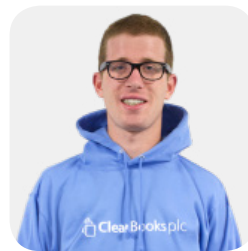
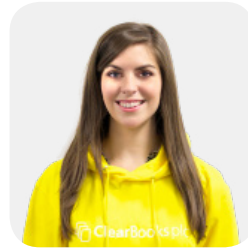


Ruth Fouracre - Company secretary & general counsel

Ruth qualified as a solicitor at the international law firm Allen and Overy in 2008. During her time at Allen & Overy she also spent time on secondment at Barclays, Citi and the Court of Appeal where she was judicial assistant to Lord Justice Carnwath. Ruth joined Citi on a permanent basis in 2011 as Senior Counsel in the litigation team. She joined Clear Books in 2014 as Company Secretary and General Counsel.

Team





Registered office

Lyric House, 149 Hammersmith Road, London, W14 0QL.

Shareholders

Shareholder	Ordinary shares	Current ownership
Tim Fouracre	1,008,003	47.77%
Fubra Ltd.	985,720	46.71%
WAKR! Holdings B.V.	55,210	2.62%
733 Shareholders	61,366	2.91%
Total: (736 shareholders)	2,110,269	100%

Summary of the Company's articles

The New Ordinary Shares will rank pari passu with existing Ordinary Shares. There have been no changes to the Company's Articles of Association.

Background



How it started

Founders of Clear Books, Tim Fouracre, Paul Maunders and Brendan McLoughlin met in 1998 at Farnborough Sixth Form College.

Tim went on to the University of Nottingham to study Mathematics while Brendan and Paul, both 18 at the time, set up a web hosting and online advertising company, Fubra Ltd ('Fubra'), which they still run today. When Tim graduated he worked for Fubra as a web developer.

Tim's career changed track and he joined KPMG and qualified as a Chartered Accountant in 2007. He retained his interest in web development, running a small portfolio of websites.

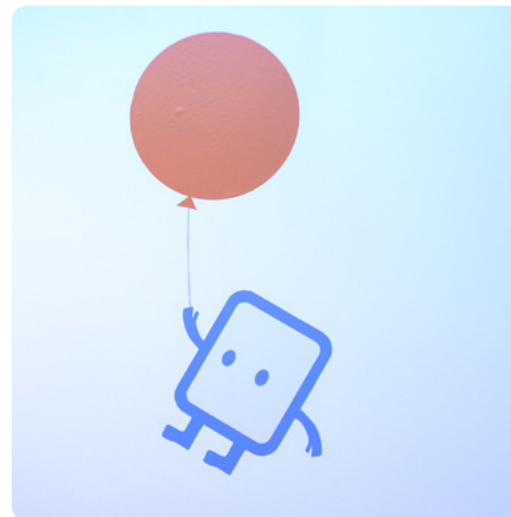
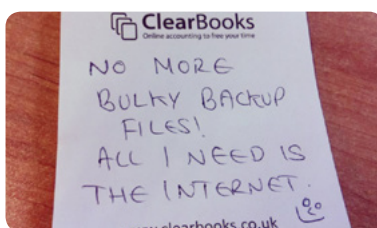
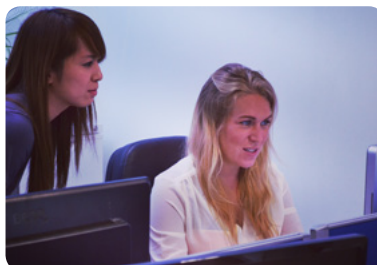
To keep on top of the bookkeeping for his websites and his mum's theatre school, Tim combined his web development and accounting expertise to create an online double entry bookkeeping system.

At a similar time Paul, from Fubra, had developed an online invoicing system for his brothers' construction business to send professional PDF invoices via email to customers.

On learning about these complementary projects, Tim and Fubra combined the two online systems to create the core of a cloud accounting application and, in July 2008, Clear Books was incorporated.

Tim resigned from his position as an equity research analyst in the City to focus on Clear Books full time. He was 26 when he started and spent the first fifteen months working from home to get the venture off the ground.

From the very beginning Clear Books has been developed to help people run their businesses more efficiently and to save them time. Working together in business, Clear Books continues with this mission to support small British businesses.



Benefits

Desktop accounting software has historically dominated the market but Clear Books' innovative online alternative is gaining momentum. Some of the benefits include:

Easy and simple

Most customers need no training due to an intuitive and attractive interface.

Affordable

Packages are priced at £7, £8, £9 and £20 per month on a pay as you go, cancel at anytime, subscription model.

Web based

Flexible anytime, anywhere access requiring just an Internet connection. Data is automatically backed up and the login is secure.

Automatic updates

All customers get all updates and improvements to the software automatically to ensure they have the latest version.

Platform independent

Works on a Mac, Windows or Linux machine.

Beautiful invoices

Custom invoices for small businesses to look professional and organised.

Get paid faster

Automatic email reminders sent to customers for overdue invoices to automate debtor chasing.

Powerful reporting

Profit & loss, cash flow, balance sheet, ageing, VAT returns and management reports.

Collaborative

Business owners, accountants and other advisers can collaborate on the same real time accounting data while logged into the system simultaneously.

Bank feeds

Business bank accounts are automatically imported with the system learning about regular transactions to speed up future processing.

HMRC filings

VAT returns, VAT EC sales lists, CIS returns and RTI payroll can be created and submitted online to HMRC.

Business model

Clear Books is a SaaS business which has the following characteristics:

- Low monthly cost for customers.
- Scalable.
- Low infrastructure costs.
- Continuous software updates.
- Accelerated feature delivery.
- Open integration protocols.
- Collaborative functionality.



Cloud Funding testimonials



During the first Cloud Funding round the Company asked some of its customers why they invested in Clear Books and this is what they said:

Nerv

“ It's a great product that saves businesses time and money. The support team are super helpful and responsive and I believe in the team that build it. It's solid and that is important. ”

Licorice

“ Because, knowing how good it is, I think it will grow and make us all some money. ”

CRM SOS

“ I believe we should be doing more to invest in home grown companies like Clear Books. ”

ICS Cleaning

“ We, like every Clear Books customer, have a vested interest in seeing Clear Books succeed. We like the approach and positive attitude of the company. ”

Allen's Electrical

“ Impressive product and growth. ”

FotoFire

“ Because we have been using Clear Books since it began and have seen it evolve and develop. I have high hopes for its future having seen the response from our accountant who previously thought that Sage was the holy grail! He is now a Clear Books reseller! ”

Extreme Coding

“ We are developers and have been using your software for the last two years. I can see the progress that's been made and I like the simplicity of the system. ”

The Plasterers Forum

“ We have been using Clear Books for about three years now and have found it exceptionally easy to use. I have been telling all the small business owners I deal with about Clear Books, and they are also happy with the ease and flexibility of the system. I have tried many different solutions over the past few years, but I have to say nothing is as easy as Clear Books. ”

SIM Only Contracts

“ I've been using Clear Books for nearly three years now, since becoming a limited company, and over this time I have been impressed with their developments and the way they conduct business. As a brand, I trust Clear Books and believe that they have a great base to build on and huge potential for future success. ”

Bristol Psychology Services

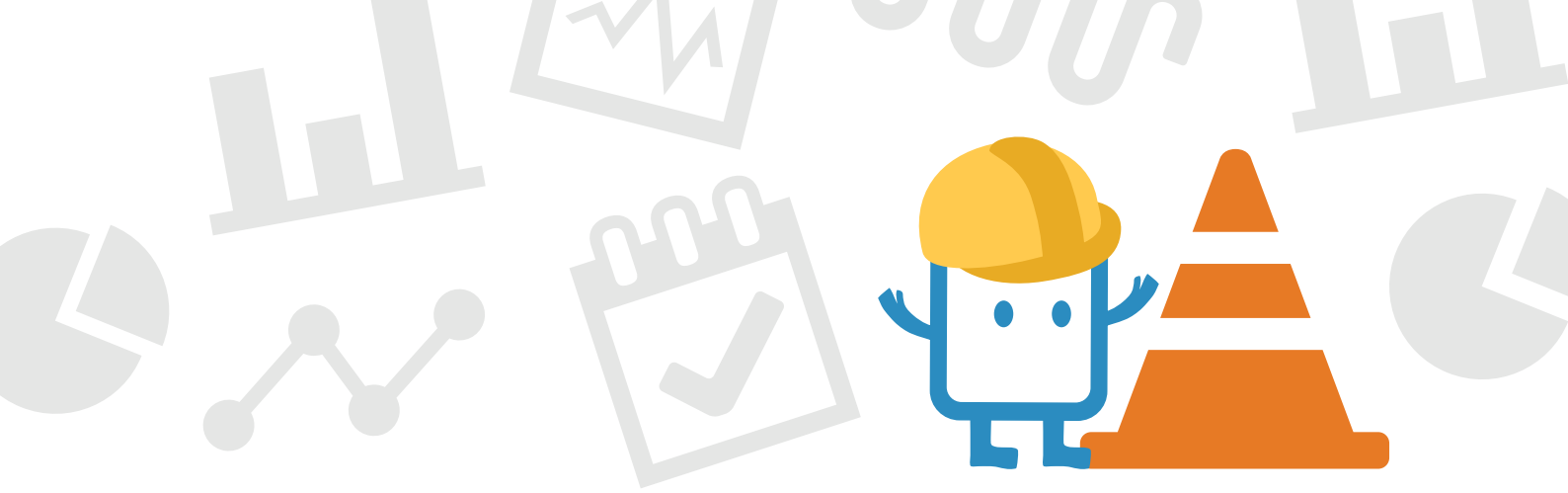
“ I invested in Clear Books because the software has been very beneficial in enabling my company to grow. I like the approach of crowdfunding, giving customers ownership of the company and trusting in its members, rather than outsourcing to more disconnected funding sources. ”

Portico Day Nurseries

“ I think the product is fantastic, innovative, timesaving and certainly the way forward for software. I'm hoping that the company will go on to be a rival with the really large .coms and my tiny shareholding will be worth something substantial. ”

Risk factors

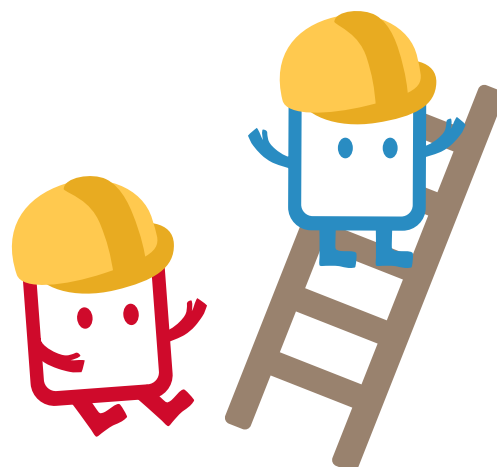




This Share Information Document contains forward-looking statements which have been made and goals which have been formulated after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Prospective Investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Share Information Document and take their own independent professional advice, before making any investment decision.

Before making a final investment decision, prospective Investors should consider carefully, in conjunction with their own independent professional advisers, whether an investment in the Company is suitable for them. Prospective Investors are recommended to consult an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities. Prospective Investors should consider carefully whether an investment in the Company is suitable in the light of their own personal circumstances and the financial resources available to them.





Investing in unquoted securities

An investment in the Company described in this Share Information Document is speculative and should only be undertaken by investors capable of evaluating the potential risks and merits of such an investment and who have sufficient resources to bear any loss that might result from such an investment.

Potential Investors ought to carefully review the Articles of Association of the Company to ensure they are familiar with the rights and restrictions pertaining to their shares. Clear Books is an unlisted public limited company. There are no plans to seek a public listing or quotation on any recognised investment exchange or other market for the New Ordinary Shares. Clear Books will not be subject to the Listing Rules of the United Kingdom Listing Authority, the AIM Rules, the UK Corporate Governance Code or any other similar rules or regulations applying to companies with securities admitted to or traded on a regulated market or exchange. Accordingly, shareholders in Clear Books will have neither the rights nor protections available to shareholders in publicly quoted companies.

The value of the New Ordinary Shares may go down as well as up and investors may not recover the amount invested. There is as yet no recognised market for the New Ordinary Shares to be issued by the Company. Accordingly it may be difficult for investors to sell their shares at what they consider to be a reasonable price and in some circumstances it may be difficult to sell them at any price or otherwise realise their investment. In addition, it may be difficult to obtain reliable information about the value of their shares or the extent of the risks to which they are exposed. In the worst case scenario, Clear Books may not be successful and its shareholders could lose all of the money that they have invested. Potential Investors should therefore not invest in Clear Books unless they have carefully thought about whether they can afford to lose it and whether such an investment is right for them.

Certain information in this Share Information Document is based on current taxation and other legislation which may change in the future and any change in the levels and bases of such taxation or such legislation may affect the value of an investment in the Company.



Company's operations & business

The Directors expect the Company's business plan to evolve as the Company develops and there is therefore no guarantee that the development of the business will proceed as envisaged in this Share Information Document.

If the amount raised in accordance with this Offer is less than the targeted maximum amount, there may be an impact on the ability of the Company to achieve its plans as envisaged in this document or further financing may be required in order for its plans to be achieved, either of which may have a negative impact upon investors and the growth of the Company.

There is no guarantee that any further funding rounds will be priced at a share value greater than the New Ordinary Shares being offered through this Share Information Document in which case investors in this round may be materially diluted.

The management team employed to drive forward the Company may not be as successful as expected,

either because the team was not in place on a timely basis or because the team was not suitable to the Company and its business. The completion of the management team may not be achieved in the timings or at the costs currently envisaged.

The Company's operating and other expenses could increase without a corresponding increase in turnover, materially impacting the Company's financial results. Factors which could increase operating and other expenses include, but are not limited to, the following:

- (a) increases in the rate of inflation;
- (b) increases in taxes and other statutory charges;
- (c) changes in laws, regulations or government policies which increase the costs of compliance with such laws, regulations or policies;
- (d) increased marketing spend;
- (e) increased staff costs.

The Company is dependent on key Directors and personnel for its future success. The Directors cannot give assurances that they or members of the management team will remain with the Company.

The failure to retain or recruit suitable replacements for any of the Directors or other key employees could damage the Company's business.

The Company has agreements with all of its key suppliers and is reliant on positive and continuing relationships with its suppliers. Termination of those agreements, variations in their terms or the failure of a key supplier to comply with its obligations under these agreements (including if a key supplier were to become insolvent) could have a negative effect on

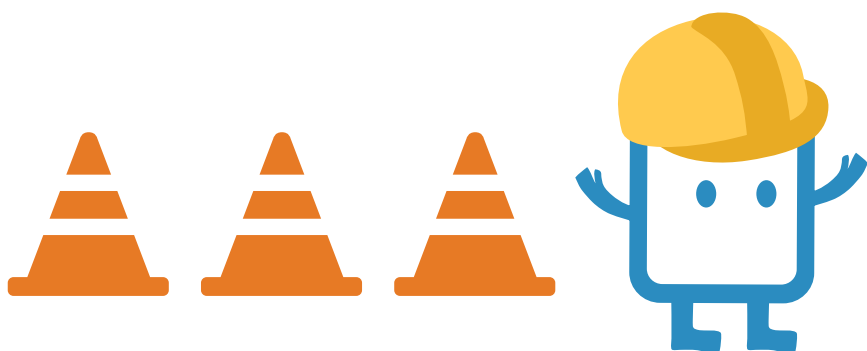
the Company. It is important that the Company has the ability to maintain and enhance the image of its existing products.

The image and reputation of the Company's products may be impacted for various reasons including litigation or complaints from customers/regulatory bodies resulting from quality failure. Such concerns, even when unsubstantiated, could be harmful to the Company's image and the reputation of its products. Deterioration in the Company's brand equity (brand image, reputation and product quality) may have a negative effect on its operating results, financial condition and prospects.

Accounting software industry & the general economy

Changes in the general economic climate could have a detrimental impact on business expenditure and on the Company's revenue. It is possible that recessionary pressures and other economic factors (future potential rising interest rates, higher

unemployment and tax increases) may decrease the income that customers have available to spend on accounting software and may adversely affect customers' confidence and willingness to spend. This could lead to a reduction in the Company's revenues.



Regulatory framework applicable to the Company

Changes in taxation, legislation, law and the regulatory environment both in the UK and internationally could have a detrimental impact on business expenditure resulting in a reduced need for accounting services by individuals or companies. This could negatively impact the Company's revenue.

Suitability

An investment in Clear Books may not be suitable for all addressees of this Share Information Document. Potential Investors are accordingly advised to consult an independent professional adviser authorised for the purposes of FSMA who specialises in investments of this kind before making any decision to invest. A potential Investor should consider carefully whether an investment in Clear Books is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

Failure to raise funds

Clear Books may fail to raise the full £3.3m that it is seeking which may adversely affect the Company's ability to market and recruit as outlined in the "Investment programme" on pages 28-32 of this document. This may have a negative knock on effect on the Company's revenue.

Security & data

Loss, theft or corruption of data and other security risks could adversely affect the Company's reputation and revenue whether accidental or deliberate e.g. by a disgruntled employee. Such risks cannot be eliminated but the Company does its best to reduce them by ensuring its cloud accounting software has been accredited by the Institute of Chartered Accountants in England and Wales ('ICAEW') and the Institute of Certified Bookkeepers ('ICB'). The Company currently has Professional Indemnity Insurance cover of up to £1,000,000.

Liquidity

Liquidity risks exist for most businesses. The Company attempts to reduce this risk with its business model of collecting subscription revenue on a monthly basis in advance. If customers do not pay their subscriptions in advance then their access to the system is temporarily disabled until payment is settled.

Partnerships

There is a risk that expected sources of growth, such as the Company's partnership with Santander and BCSG, may fail to deliver any growth in revenue or profitability and that such partnerships may even be abandoned. The success of partnerships tends to be reliant on how much the partner promotes the project to its customers and is therefore outside the Company's control.

Dividends

There is no guarantee that dividends will be paid or if they are paid that they will be maintained at any particular level.

Banking

Clear Books holds funds with banks, of which one is a FTSE 100 company. However, any failure by any such bank would negatively impact upon the Company.

Employees

Any changes in employment law raising the costs of labour, redundancy, compensation or pensions for the Company in respect of its employees would adversely affect the profitability of the Company.

Competition

New entrants to the market or increased investment by competitors could adversely affect the profitability of the Company and its future market share.

Crowdfunding regulation

Regulation around crowdfunding may be tightened making it difficult for the Company to raise funds in this way in the future. The Company may need to seek alternative means of raising capital, should it require further funds.



EIS

The Enterprise Investment Scheme

When the Company raised funds in 2013 it received authority from HMRC to issue EIS3 certificates in respect of the shares issued and these certificates were subsequently distributed to any shareholders who requested them. The Company knows of no reason why HMRC would not provide authority to issue EIS3 certificates in respect of the New Ordinary Shares on offer.

Providing the Company receives authority from HMRC to issue EIS3 certificates, individuals subscribing for Offer Shares may qualify for a number of tax reliefs as follows:

1. Income Tax relief - An individual investor is entitled to a reduction in their income tax liability of an amount up to 30% of the sum invested in the Company, thereby reducing the net cost of their investment to 70% of the subscription price. The quantum of the relief is limited to an amount which reduces the investor's income tax liability to nil.

There is also an aggregate limit per tax year on income tax relief under EIS of £1,000,000 of qualifying investments. To the extent that the preceding tax year's limit has not been fully utilised, an investor may choose to elect to have an EIS qualifying investment made in one tax year treated as if it were made in the previous tax year and for EIS income tax relief to be claimed in that earlier year. In the event that the Offer Shares are disposed of before the Company has been trading for a period of at least three years, any income tax relief granted will be clawed back.

2. Capital Gains Tax ('CGT') exemption - Any gains realised on the disposal of Offer Shares where income tax relief was granted in accordance with the above paragraph are exempt from CGT, provided that the Offer Shares have been held for a period not less than three years from the date the Offer Shares were issued.

3. CGT deferral - It is possible for an investor to defer the payment of CGT on other gains by 'rolling over' these gains into an investment in Offer Shares. This deferral relief is available for gains realised on disposals of any asset within the period commencing three years prior and ending one year after the acquisition of the Offer Shares. Whilst there are annual limits on the amount of investment that will qualify for income tax relief and CGT exemption, there is no upper limit on the amount of capital gains that may be deferred in this way. On disposal of the Offer Shares, the deferred gain then falls back into charge and will be taxed in accordance with the rates and allowances then in force. In the event that an investor dies whilst still owning the Offer Shares, the deferred gain is extinguished.

4. Inheritance Tax ('IHT') relief - Offer Shares will qualify as business property for IHT purposes. Provided an investor has held the Offer Shares for a minimum of two years, 100% business property relief will apply such that, where the Offer Shares are still owned at the time of death of an investor, no IHT will be payable on the value of the Offer Shares.

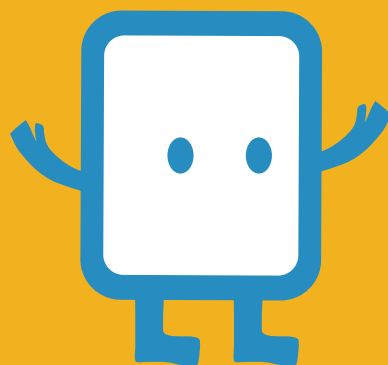
5. Income Tax relief for losses - If, on the disposal of the Offer Shares at any time, a loss is made, the amount of the loss (after taking account of any income tax relief received) will be available to offset against either income tax or capital gains tax for the investor. Where income tax relief is claimed for the loss, the loss can be claimed for the tax year in which the disposal takes place, the preceding tax year or both years as appropriate.

6. CGT relief for losses - In the event that an investor wishes to claim the loss against capital gains, this is available to offset against gains realised in the same tax year. To the extent that the losses exceed gains in that year, any surplus loss is available to carry forward indefinitely to set-off against future gains.

The information above about the Enterprise Investment Scheme and tax relief on it is based on current law and practice and is intended to be a general guide only and is not intended to be nor should it be construed as legal or tax advice and prospective Investors should seek advice in relation to their own circumstances from their advisers. The tax treatment of any investment depends upon the individual circumstances of each potential Investor and may be subject to future change. There is no guarantee that EIS status will be granted or maintained and if it were to be lost for any reason this could result in a loss of tax relief or a liability to tax. The tax rules, or their interpretation in relation to an EIS investment, may change during the holding period for the investment and such change may apply retrospectively or have retroactive effect.



Terms & conditions of a share application



The Company proposes to issue 275,000 Ordinary Shares (the 'New Ordinary Shares') at a price of £12.00 per share in order to raise gross proceeds of up to £3,300,000 by way of the Offer.

Upon completion of the Offer, assuming all New Ordinary Shares are subscribed for, the New Ordinary Shares will represent approximately 11.5% of the enlarged issued share capital of the Company and the enlarged issued share capital will be 2,385,269 Ordinary Shares.

Allotment

The basis of the allotment of New Ordinary Shares will be determined by the Directors of the Company at their absolute discretion. The right is reserved to reject any application or to accept any application in whole or in part or to scale down any application or to accept applications on a 'first come first served'

basis. If any application is not accepted, the amount paid on application will be returned without interest, in each case by cheque sent through the post at the applicant's risk or, if possible, refunded onto the debit card used in the application.

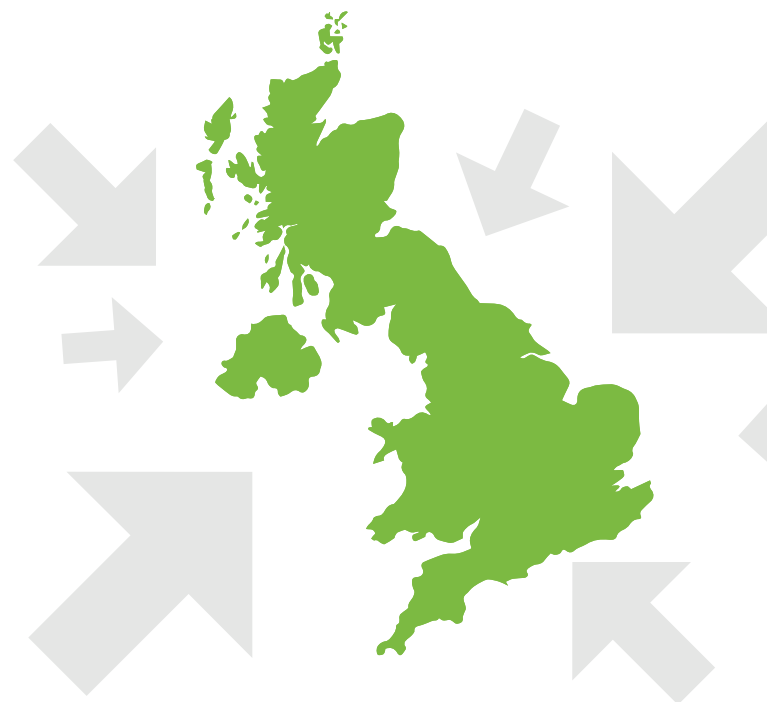
Territory

No person receiving a copy of this Share Information Document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation to him or her, nor should he or she in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him or her or such Application Form could lawfully be used without compliance with any registration or other legal requirements.

It is the responsibility of any person resident or domiciled outside the United Kingdom wishing to make an application hereunder to satisfy himself or herself as to full observance of the laws of the relevant territory in connection therewith including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory.

The New Ordinary Shares have not been nor will they be registered under the United States Securities Act of 1933, as amended (the 'Securities Act') or the Securities Exchange Act of 1934, as amended, and the relevant exemptions are not being obtained from the securities regulatory authority of Canada. Except in a transaction which is exempt under the relevant legislation, the New Ordinary Shares may not be directly or indirectly offered, sold or delivered in the United States, Canada or Australia or to US persons or to persons resident in Canada or Australia nor may an Application Form be lodged by any such persons.

For the purposes of this Share Information Document, 'United States' means each state of the United States of America (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction. 'Canada' means Canada and each province thereof. 'Australia' means Australia and each state or territory thereof. 'US person' has the meaning given in Regulation S promulgated under the Securities Act and 'resident in Canada' means a citizen, national or resident of Canada, the estate of any such person, a partnership, corporation or other entity created or organised in or under the laws of Canada, or any estate or trust the income of which is liable to Canadian income tax regardless of its source. 'Resident in Australia' means a citizen, national or resident of Australia, the estate of any such person, a partnership, corporation or other entity created or organised in or under the laws of Australia, or



any estate or trust the income of which is liable to Australian income tax regardless of its source.

Each person who completes an Application Form warrants that he or she is not a US person or a person resident in Canada or Australia and that he or she will not hold or acquire any of the Ordinary Shares for the account or benefit of any US person or person resident in Canada or Australia or with the view to the offer, sale or delivery directly or indirectly of any Ordinary Shares in the United States or Canada or any province thereof or Australia or any state or territory thereof or to or for the account of any US person or person resident in Canada or Australia.

Persons resident in other overseas territories should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in the Offer.



Application

Your offer must be made on the Application Form. By completing and submitting an Application Form you as the applicant and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

A. Irrevocably offer to take under the Offer (which constitutes an invitation to treat) the number of New Ordinary Shares specified in the Application Form, on the terms of, and subject to, the conditions set out in this Share Information Document, including these terms and conditions and subject to the Memorandum and Articles of Association of the Company.

B. Agree that you will accept the number of New Ordinary Shares allotted to you in accordance with the paragraph above or such lesser number of New Ordinary Shares in respect of which this application may be accepted.

C. Agree that all applications, acceptances, allotments and contracts arising from this application will be governed by and construed in accordance with English law.

D. Warrant that if you sign and submit the Application Form on behalf of somebody else or on behalf of a corporation or jointly on behalf of yourself and another person or a corporation you have the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmation, warranties and undertakings contained in these terms and conditions of application.

E. Confirm that you are not relying on any Company information or representations other than those contained in this Share Information Document.

F. Warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if it is not honoured the Company may (without prejudice to any other rights it may have) void the agreement to allot the relevant New Ordinary Shares and may allot them to some other person in which case you will not be entitled to any refund or payment in respect thereof.

G. Agree this application constitutes an irrevocable offer to the Company which shall become binding upon submission of the Application Form and, if accepted by the Company, create a legally-binding agreement.

H. Do not expect the Company or any of its advisers to provide you with any duty or responsibility similar or comparable to the 'suitability' rule of The Financial Conduct Authority and acknowledge that you are taking shares under the Offer on an 'execution only' basis.

I. Agree that, having had the opportunity to read this Document, you are deemed to have had notice of all information and representations concerning the promotion, the Offer and the New Shares contained herein (whether or not so read).

J. Confirm that (save for advice received from your financial adviser) in making such application you are not relying on any information or representation in relation to the Company other than those contained

in this Document and you accordingly agree that no person responsible solely or jointly for this Document or involved in the preparation thereof will have any liability for any such information or representation.

K. Agree that all Applications, acceptance of Applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law and that you submit to the exclusive jurisdiction of the English Courts.

L. Authorise the Company or any other person authorised by it, as your agent, to do all things necessary to effect registration of any New Shares subscribed for by you into your name and authorise any representatives of the Company to execute any document required therefore and to enter your name on the register of members of the Company.

M. Agree to provide the Company with any information which it may request in connection with your Application and/or in order to comply with the EIS regulations or other relevant legislation (as the same may be amended from time to time).

N. Warrant that, in connection with your Application, you have observed and complied with the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or any of its respective agents infringing any laws or acting in breach of the regulatory or legal requirements of any territory directly or indirectly in connection with the Offer or in consequence of any acceptance of your Application.

O. Warrant that you are not under the age of 18 years.

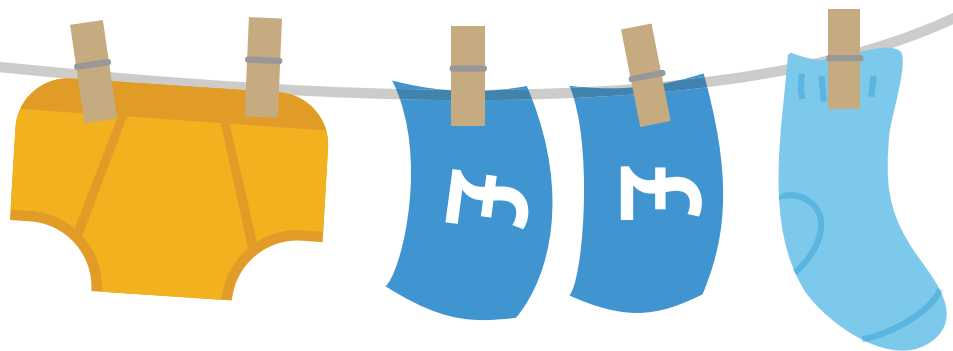
P. Warrant that you are not subscribing for the New Shares using a loan which would not have been given to you or any associate, or not given to you or any associate on such favourable terms, if you had not been proposing to subscribe for the New Shares.

Q. Warrant that the New Shares are allotted to you for bona fide commercial purposes and not as part of a scheme or arrangement, the main purpose of which, or one of the main purposes of which, is the avoidance of tax.

R. Warrant that you are not a US person or resident of Canada or Australia and that you are not applying on behalf of or with a view to the offer, sale or delivery, directly or indirectly, to or for the benefit of any US person or resident of Canada or Australia.

S. Warrant that the information contained in the Application Form is accurate and that the Application Form has been completed to the best of your knowledge.

T. Agree that the deemed date of allotment of New Ordinary Shares shall be the Closing Date of the Share Offer, notwithstanding that payment may be taken, and notice of your allocation of New Ordinary Shares may be given, prior to the Closing Date.



Money laundering

A. It is a term of the Offer that to ensure compliance (in so far as they may be applicable) with the Money Laundering Regulations 2007, the Company is entitled to require at its absolute discretion verification of identity from any person lodging an Application Form (an 'applicant') including, without limitation, any person who either:

- (i) tenders payment drawn on an account in the name of a person or persons other than the applicant; or
- (ii) appears to the Company to be acting on behalf of some other person.

Pending the provision of evidence satisfactory to the Company as to the identity and residential address of the applicant and/or any person on whose behalf the applicant appears to be acting, the Company, in its absolute discretion, may retain an Application Form lodged by an applicant and/or the cheque or other remittance pertaining thereto and/or not enter the applicant on the register of members or issue any share certificate in respect of them.

B. If verification of identity is required, this may result in a delay in dealing with an application and/or in rejection of the application. In order to avoid this, payment should ideally be made by the applicant himself in his own name.

C. The Company reserves the right, in its absolute discretion, to reject any application in respect of which the Company considers that, having requested verification of identity or residential address, it has not received evidence of such identity or residential address satisfactory to it by such time as was specified in the request for verification of the same or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the moneys payable or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which sums were originally debited) in which case without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage

suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid. The submission of an Application Form will constitute a warranty and undertaking by the applicant to the Company to provide promptly to the Company such information as may be specified by the Company as being required for the purpose of the Money Laundering Regulations 2007.

D. Neither the Company nor its advisers shall be responsible or have any liability for loss or damage (whether actual or alleged) arising from the election by the Company or its advisers to treat an application in respect of New Ordinary Shares lodged by any applicant as invalid or to terminate any contract of allotment as a result of the Company not having received evidence as to the identity of the person lodging the relevant Application Form reasonably satisfactory to it within a reasonable time of having requested such information.

Taxation

Certain details regarding taxation are set out in this Share Information Document. These do not constitute, and should not be treated as, advice as to the tax status or position of any applicant or potential applicant. You should consult your own independent professional adviser on your tax position.

Communication

A. Definitive certificates in respect of the New Ordinary Shares will be accessible from <https://secure.clearbooks.co.uk/clearbooks/market/home/myinvestments/> (the 'Investor Module'). When prospective Investors complete the Application Form for New Ordinary Shares, as part of the process they will be required to create login details for the Investor Module which they can use to access the Investor Module once their application for New Ordinary Shares has been approved. No temporary

documents of title will be issued and pending the issue of definitive share certificates, transfers will be certified against the register.

B. All communications by the Company will be in electronic format and not postal. The Company intends to communicate electronically with Investors via email, the Investor Module, blog (which can be found at www.clearbooks.co.uk/blog), and public investor pages

(which can be found at www.clearbooksplc.com/investors). Investors will be able to contact the Company by email to investors@clearbooks.co.uk.

C. All documents or remittances sent by or to an applicant, or as the applicant may direct, that are sent through the post will be sent at the applicant's own risk.

D. The Company reserves the right to amend how it communicates to Investors to ensure communications are efficient.

Processing payments

All payments for New Ordinary Shares must be made by debit card and paid in pound sterling. You will be asked to insert your debit card details when you proceed with the Application Form. An additional 50p charge is payable for debit card payments.

Further information

Your attention is drawn to the terms, conditions and other information on the Application Form found at www.clearbooks.co.uk/cloudfunding2/apply and the further information found at www.clearbooks.co.uk/cloudfunding2/#docs (including the Company's Articles of Association and the Company's audited accounts for the financial year ending 31 March 2014) and the "Definitions" on pages 72-74 of this document.

Definitions





The following definitions apply throughout this Share Information Document, unless the context requires otherwise:

Application Form

The online form for potential Investors to apply for New Ordinary Shares accessible at www.clearbooks.co.uk/cloudfunding2/apply.

Articles

The Articles of Association of the Company for the time being.

BASDA

The Business Application Software Developers Association.

BCSG

Business Centric Services Group.

BIS

The Department for Business Innovation & Skills.

Brunel

Brunel Capital Ltd, a company registered in England and Wales with company number 06480836.

Clear Books or Company

Clear Books plc, a company registered in England and Wales with company number 06636109.

Directors

Tim Fouracre, Elizabeth Fouracre, Brendan McLoughlin and Paul Maunders.

EIS

The Enterprise Investment Scheme as set out in Part V of the Income Tax Act 2007.

FCA

The United Kingdom Financial Conduct Authority.

FSMA

The Financial Services and Markets Act 2000 of the United Kingdom, as amended.

Fubra

Fubra Ltd, a company registered in England and Wales with company number 03967214.

Hub

Santander Business Hub.

HMRC

HM Revenue and Customs, the UK's tax authority.

ICB

The Institute of Certified Bookkeepers.

ICAEW

The Institute of Chartered Accountants in England and Wales.

Investor

An applicant for shares who has agreed to the Terms and conditions of a share application, paid for their shares and whose application has been approved by the Directors.

RTI

Real Time Information.

SaaS

Software as a Service.

Santander

Santander UK plc.

Share Information Document

This document.

SME

Small and Medium sized Enterprises.

UKLA

UK Listing Authority.

