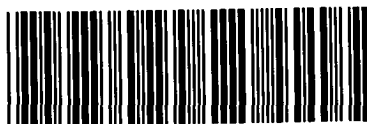


**Edge by Ascential Limited**  
Annual Report and Financial Statements  
For the year ended 31 December 2022

Registered Number: 3994702

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The Directors present their Strategic Report for the year ended 31 December 2022, prepared in accordance with s414C of the Companies Act 2006

#### **Principal activities and future developments**

Edge by Ascential Limited ("the Company") gives global brands and retailers the strategy, execution, and performance edge they need to win in digital commerce by providing products and advisory solutions that offer retail intelligence technology, advisory services, digital shelf monitoring insights and market share performance analytics. The Company's suite of solutions - including Market Share, Digital Shelf, and Retail Insights - enables brands and retailers to plan and implement commercial strategies with market intelligence and forecasting; execute optimisations at the digital shelf that drive margin and sales growth; and monitor online performance and results in sales and market share versus competitors and categories. It is intended that the Company will continue with these activities for the foreseeable future.

#### **Results and dividends**

The results for the Company show revenue of £24,324,000 (2021: £26,458,000) and a loss before taxation of £15,078,000 (2021: £10,659,000) for the year. During 2022, the Company curtailed the collection of information of retailer sites outside of the top global marketplaces for the Edge Digital Shelf product. This led to certain one-off charges recognised in the results to 31 December 2022 and has enabled the Company to focus on the future profitability of the business.

No interim dividend was paid during the year (2021: £nil). The Directors do not recommend the payment of a final dividend (2021: £nil).

#### **Principal risks and uncertainties**

The Directors consider the following to be the key risks and uncertainties of the Company:

##### ***Economic and geopolitical conditions***

Across our business we are exposed to the effects of political and economic risks. These include the likelihood of global recession, changes in the regulatory and competitive landscape, global supply chain failures, the impact of international trade policy and sanctions, and hostile state action.

##### ***Financial risk***

Insufficient balance sheet strength and liquidity may prevent the Company's ability to execute its strategy or ability to trade as a going concern. Material exposures to different currencies and fluctuations in those currencies affect the reported financial results. Tax law and administration is complex and tax authorities may challenge our application of tax law, potentially leading to lengthy and costly disputes and material tax charges. Financial reporting requirements are complex and errors in the Company's financial statements could lead to reputational damage and censure from regulators.

##### ***Other risks***

In addition, the principal risks of the Group, whilst not material to the Company, may indirectly impact the Company. Please refer to the Ascential plc annual report pages 50-55 for further details on these risks and actions taken by the Group to manage the risks:

1. Customer end-market development
2. Competition and substitution
3. Data access, data scraping and platform risks
4. Acquisitions and disposals (including integration)
5. People risk
6. Live events

7. Cyber threat and information security
8. Business resilience
9. Regulation and compliance

**Key performance indicators ("KPIs")**

During the course of the year, the Board sets one or more KPIs which are tracked and reviewed at each Board meeting in order to assess performance. The KPI below is useful for the understanding of the development, performance and position of the business.

Loss before interest, tax, depreciation, amortisation, non-trading items and share-based payments ("Adjusted EBITDA") of £13,097,000 (2021: £7,012,000) provides a measure of the underlying performance of the business.

The KPI above is not defined in the Financial Reporting Standard 101 Reduced Disclosure Framework.

**Going concern**

Notwithstanding net current liabilities of £28,973,000 as at 31 December 2022 and a loss before taxation of £15,078,000 for the year then ended, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons detailed below.

Subsequent to the year end, the Ascential plc Group (the Group), of which the Company is a member, has announced the intention to sell the Flywheel Group, including the Company, to Omnicom Group Inc. Up until the date of this sale, Ascential Group Limited has indicated its intention to continue to make available such funds as are needed by the Company. Although the Directors expect the Company to continue its activities as a trading company following the sale, this is inherently uncertain when the Company does not remain part of the Ascential plc Group. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Therefore, whilst the Directors believe the going concern basis remains appropriate, the matters above represent a material uncertainty related to events or conditions that may cast doubt on the Company's ability to continue as a Going Concern, and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Approved by the Board of Directors on 22 December 2023 and signed on its behalf by:



**M Gradden**  
Director

Company registered number: 3994702

**Edge by Ascential Limited**  
**Directors' Report**  
**For the year ended 31 December 2022**

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The Directors present their report and financial statements for the year ended 31 December 2022.

**Directors**

The Directors who held office during the year and to the date of this report were:

D Painter  
M Gradden

**Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. The Company has therefore omitted the business review and results here. This includes a review of the development and performance of the Company during the year, principal risks and uncertainties and future developments.

**Directors' indemnities**

The ultimate parent company, Ascential plc, has made qualifying third-party indemnity provisions for the benefit of the Company Directors. These provisions were made during the year and remain in force at the date of approving this report.

**Political Donations**

The Company did not make any political donations during the year (2021: £nil).

**Research and development**

Research and development activities related to investment in the Company's Digital Shelf and Market Share products of which £676,000 (2021: £2,924,000) was capitalised in the year (see Note 10).

**Existence of branches**

The Company does not have any branches (2021: nil)

**Events after the reporting period**

Material post balance sheet events are disclosed in note 21 of the financial statements.

**Disclosure of information to the auditor**

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

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**Edge by Ascential Limited**  
Directors' Report  
For the year ended 31 December 2022

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Approved by the Board of Directors on 22 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Gradden', written in a cursive style.

**M Gradden**  
Director

Company registered number: 3994702

**Edge by Ascential Limited**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 December 2022**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

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

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

### Opinion

We have audited the financial statements of Edge by Ascential Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates that the company's ability to continue as a going concern is dependent on whether the Company remains the part of the Ascential plc group following the conclusion of Ascential's strategic review. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDGE BY ASCENTIAL LIMITED

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We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the simplicity and homogeneous nature of revenue transactions and sources.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user, those posted to unusual accounts.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence. We also held discussions with the Directors and other management regarding the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDGE BY ASCENTIAL LIMITED

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for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and Directors' report**

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'CH', followed by a long horizontal line.

**Christopher Hearn (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London E14 5GL  
United Kingdom  
22 December 2023

**Edge by Ascential Limited**  
**Profit and Loss Account and Other Comprehensive Income**  
**For the year ended 31 December 2022**

	Note	2022 £'000	2021 £'000
<b>Continuing operations</b>			
Turnover	3	24,324	26,458
Cost of sales		(1,463)	(2,122)
<b>Gross profit</b>		<b>22,861</b>	<b>24,336</b>
Administrative expenses		(38,247)	(32,510)
<b>Operating loss</b>	4	<b>(15,386)</b>	<b>(8,174)</b>
Adjusted EBITDA*		(13,097)	(7,012)
Depreciation and amortisation		(289)	(1,177)
Non-trading items		(1,781)	235
Share-based payments		(219)	(220)
<b>Operating loss</b>	4	<b>(15,386)</b>	<b>(8,174)</b>
Interest receivable and similar income	7	349	75
Interest payable and similar charges	8	(41)	(2,560)
<b>Loss before taxation</b>		<b>(15,078)</b>	<b>(10,659)</b>
Taxation	9	4,167	2,222
<b>Loss for the year</b>		<b>(10,911)</b>	<b>(8,437)</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(10,911)</b>	<b>(8,437)</b>

\*Adjusted EBITDA is an alternative performance measure defined in Note 2.

The notes on pages 13 to 26 form part of these financial statements.

**Edge by Ascential Limited**  
Balance Sheet  
As at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Intangible assets	10	774	3,138
Right-of-use assets	11	-	719
Deferred tax asset	12	1,658	-
		<b>2,432</b>	<b>3,857</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	9,792	45,082
Cash at bank and in hand		195	716
		<b>9,987</b>	<b>45,798</b>
<b>Total assets</b>		<b>12,419</b>	<b>49,655</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(38,662)	(63,578)
Provisions	16	(298)	(641)
		<b>(38,960)</b>	<b>(64,219)</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	15	(495)	(2,084)
Provisions	16	(754)	(231)
		<b>(1,249)</b>	<b>(2,315)</b>
<b>Total liabilities</b>		<b>(40,209)</b>	<b>(66,534)</b>
<b>Net liabilities</b>		<b>(27,790)</b>	<b>(16,879)</b>
<b>Capital and reserves</b>			
Called up share capital	17	166	166
Share premium account		53	53
Capital redemption reserve		5	5
Profit and loss account		(28,014)	(17,103)
<b>Shareholder's deficit</b>		<b>(27,790)</b>	<b>(16,879)</b>

The financial statements were approved and authorised for issue by the Board on 22 December 2023 and were signed on its behalf by:



M Gradden

Director

Company registered number: 3994702

The notes on pages 13 to 26 form part of these financial statements

**Edge by Ascential Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Capital redemption n reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total Equity £'000</b>
<b>At 1 January 2021</b>	166	53	5	(9,241)	(9,017)
Total comprehensive loss for the year	-	-	-	(8,437)	(8,437)
Transactions with other group entities	-	-	-	575	575
<b>At 31 December 2021 and 1 January 2022</b>	<b>166</b>	<b>53</b>	<b>5</b>	<b>(17,103)</b>	<b>(16,879)</b>
Total comprehensive loss for the year	-	-	-	(10,911)	(10,911)
<b>At 31 December 2022</b>	<b>166</b>	<b>53</b>	<b>5</b>	<b>(28,014)</b>	<b>(27,790)</b>

The notes on pages 13 to 26 form part of these financial statements.

## **1. General information**

Edge by Ascential Limited ("the Company") is a private company limited by shares, registered in England and Wales, and incorporated and domiciled in the UK. The Company registration number is 3994702 and the registered office 33 Kingsway, London, WC2B 6UF.

The financial statements are presented in pounds sterling ("GBP"), which is the Company's functional currency, and have been rounded to thousands except where otherwise indicated.

The financial statements have been prepared on a going concern basis (see further details below) and under the historical cost convention.

## **2. Accounting policies**

The principal accounting policies in the preparation of the financial statements have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### **Basis of preparation of the financial statements**

These financial statements were prepared in accordance with the Companies Act 2006 as applicable and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"), the Financial Reporting Standard applicable in the UK as issued by the Financial Reporting Council.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes (IAS 1);
- Certain disclosures regarding revenue (IFRS 15);
- Certain disclosures regarding leases (IFRS 16);
- Comparative period reconciliations for share capital (IAS 1);
- Disclosures in respect of capital management (IFRS 7);
- The effects of new but not yet effective IFRSs (IAS 8); and
- Disclosures in respect of the compensation of Key Management Personnel (IAS 24);

As the consolidated financial statements of Ascential plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-Based Payments in respect of group settled share-based payments
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

### **Going concern**

Notwithstanding net current liabilities of £28,973,000 as at 31 December 2022 and a loss before taxation of £15,078,000 for the year then ended, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons detailed below.

Subsequent to the year end, the Ascential plc Group (the Group), of which the Company is a member, has announced the intention to sell the Flywheel Group, including the Company, to Omnicom Group

Inc. Up until the date of this sale, Ascential Group Limited has indicated its intention to continue to make available such funds as are needed by the Company. Although the Directors expect the Company to continue its activities as a trading company following the sale, this is inherently uncertain when the Company does not remain part of the Ascential plc Group. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Therefore, whilst the Directors believe the going concern basis remains appropriate, the matters above represent a material uncertainty related to events or conditions that may cast doubt on the Company's ability to continue as a Going Concern, and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **Foreign currency translation**

Foreign currency transactions are recorded at the exchange rate ruling at the date of transaction. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

#### **Turnover**

Turnover is measured based on the consideration specified in a contract with a customer. If multiple performance obligations exist within a contract, the revenue is allocated to the obligations based on the stand-alone selling price, with any discounts allocated evenly across the obligations. Revenue is recognised when the Company satisfies the performance obligations.

Digital Subscriptions & Platforms revenue is generally recognised systematically over the period the services are provided as the customer simultaneously receives and consumes the economic benefit of the service being provided.

Advisory revenue is recognised over time where we have the right to payment for performance completed to date. Revenue is recognised based on an input method of measurement using either internal timesheets as the measurement of the level of time worked as a percentage of the total expected time worked on the contract as this is commensurate with the pattern of transfer of service to the customer, or other appropriate cost measures where input cost is the appropriate measure.

#### **Alternative Performance Measures**

The financial statements include an Alternative Performance Measure; Adjusted EBITDA. This is used as another measure of profitability of the trading performance of the continuing operations of the Company. Adjusted EBITDA is a non-GAAP measure defined as the Company's operating result before expensing depreciation of tangible fixed assets and amortisation of software, non-trading items, amortisation of acquired intangible assets, impairment of tangible fixed assets and software intangibles, share-based payments and one-off finance costs.

#### **Non-trading items**

Non-trading items are those which are considered significant or unusual by virtue of their nature, size or incidence or directly incurred as a result of either an acquisition, divestiture or relate to a major business change or restructuring programme. The presentation and policy are applied consistently year-on-year with items presented separately within their relevant income statement category to assist in the understanding of the performance and financial results of the Group as these types of cost do not form part of the continuing operations. Examples of items that are considered by the Directors for designation as non-trading items include, but are not limited to:

- significant capital structuring costs as these can be material and are not a reflection of the underlying business;
- costs incurred as part of the acquisition and integration of acquired businesses as these can be material. Acquisition-related employment costs, which, absent the link to continued employment, would have been treated as consideration are designated as non-trading items;
- gains or losses on disposals of businesses are considered to be non-trading in nature as these do not reflect the performance of the Company;
- material restructuring and separation costs incurred as part of a significant change in strategy as these are not expected to be repeated on a regular basis; and
- significant one-off items, such as the impairment of intangible assets, the recognition of provisions for onerous contracts and substantial system implementations, that do not reflect underlying performance.

If provisions have been made for non-trading items in previous years, then any reversal of these provisions is treated within non-trading items.

#### **Finance costs and income**

Finance cost or income is recognised using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

#### **Income tax**

Income tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on taxable profits for the period, using tax rates that have been enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income, along with any adjustment relating to tax payable in previous years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Company has a legal right to offset.



### **Intangible assets**

Intangible assets other than goodwill are those that are distinct and can be sold separately or arise from legal rights. Intangible assets purchased separately are capitalised at cost.

The cost of intangible assets is amortised and charged to the income statement on a straight-line basis over their estimated useful lives as follows:

Software	2-5 years
----------	-----------

Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis.

Where no internally generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred. The Company only capitalises internally generated costs from the configuration and capitalisation of software as a service ("SaaS") projects when it is able to obtain economic benefits from the activities independent from the SaaS solution itself.

### **Financial instruments**

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### *Trade and other receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less loss allowances. Loss allowances are calculated for lifetime expected credit losses. Expected credit losses are a probability weighted estimate of credit losses and are calculated based on actual historical credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Company's view of the economic conditions over the expected lives of the receivables. The amount of the loss is recognised in the profit and loss account. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash, cash in transit, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less.

#### *Trade and other payables*

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to

the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

#### **Employee Benefits**

##### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### *Pension and other post-employment benefits*

The Company operates a defined contribution pension scheme. Contributions payable are charged to the income statement and included in employee costs as an operating expense as incurred.

##### *Share-based payments*

Certain employees (including Directors) of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of the ultimate parent company, Ascential plc.

Where the Company grants options over its ultimate parent company's shares to employees, it accounts for the transaction as a cash-settled share-based payment and recognises an employee benefits expense and an increase in the amount payable to Group undertakings.

#### **Leases**

##### *Definition of a lease*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

##### *As a lessee*

The Company recognises a right of use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation, which is recorded using the straight-line method from the commencement date to the end of the lease term, and impairment losses and adjusted for certain remeasurements of the lease liability. Right of use assets are impaired when there is no expected future economic benefit from its continued use due to the property being vacant, or where the anticipated sublease income is less than the contractual lease payments. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Company is reasonably certain to exercise such

options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Company has applied the exemption not to recognise right of use assets and liabilities for leases with less than twelve months of lease term.

**Critical accounting judgements and key sources of estimation uncertainty**

The Company has not made any critical judgements in applying the Company's accounting policies which have significant effect on the amounts recognised in the financial statements.

Preparation of these financial statements requires management to make use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Company. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected. The following estimate has a significant risk of causing a material adjustment to the carrying amount of the assets or liabilities within the period:

- *Impairment of intangible assets (note 10)*  
Finite life intangible assets are assessed for impairment triggers and where an indicator exists a test for impairment is performed. Recoverable amount is the higher of value-in-use or fair value less costs of disposal. Determination of these amounts is based upon multiple estimates, including a forecast of future cash flows cash conversion and EBITDA growth; the appropriate discount rates and terminal growth rates.

**3. Turnover from contracts with customers**

(a) Disaggregation of turnover

(i) An analysis of turnover by geographical market is given below:

	2022	2021
	£'000	£'000
United Kingdom	10,553	10,498
Other Europe	9,359	12,783
United States and Canada	869	165
Rest of World	3,543	3,012
<b>Total</b>	<b>24,324</b>	<b>26,458</b>

(ii) An analysis of the Company's turnover by category is as follows:

	2022	2021
	£'000	£'000
Digital Subscriptions & Platforms	20,634	24,648
Advisory revenue	3,435	1,810
Commissions received from fellow group undertaking	255	-
<b>Total</b>	<b>24,324</b>	<b>26,458</b>

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**(b) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Receivables, which are included within debtors	13	<b>5,896</b>	5,519
Contract assets – accrued income	13	<b>1,316</b>	2,243
Contract liabilities – deferred income	14	<b>3,594</b>	4,996

The amount of revenue recognised in current period that was included in the contract liability balance at the beginning of the period was £4,996,000 (2021: £5,436,000).

**4. Operating loss before taxation**

Operating loss before taxation is stated after charging:

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
Staff costs	6	<b>11,796</b>	9,414
Amortisation of intangible assets	10	<b>32</b>	265
Depreciation of right of use assets	11	<b>257</b>	912
Auditor's remuneration		<b>20</b>	18
Non-trading items - relating to business restructuring		<b>-</b>	30
Non-trading items - Impairment of intangible assets	10	<b>1,319</b>	-
Non-trading items - Impairment of right of use assets	11	<b>462</b>	-
Non-trading items – Profit on sale of investment		<b>-</b>	(265)

**5. Remuneration of Directors**

None of the Directors received any remuneration for their qualifying services to the Company (2021: none). The Directors' services were incidental to their service to the Group as a whole and any allocation to the Company would be de minimis.

**6. Staff numbers and costs**

**(a) Employees**

The average monthly number of persons employed by the Company during the year is as follows:

<b>By job activity</b>	<b>2022</b>	<b>2021</b>
Cost of sales	<b>72</b>	68
Sales and marketing	<b>37</b>	34
Other administrative functions	<b>17</b>	16
<b>Total</b>	<b>126</b>	118

**(b) Costs**

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	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	9,820	7,670
Social security costs	1,360	1,142
Share-based payments	219	220
Other pension costs	397	382
<b>Total</b>	<b>11,796</b>	<b>9,414</b>

**(c) Pension costs**

The Company participates in a defined contribution pension scheme. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Company. No loans have been made by the scheme to the Company and no shareholdings of the scheme have been used as security for any loans to the Company. The pension scheme is administered by Ascential Group Limited, a fellow Group undertaking.

**(d) Share-based payments**

Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of the ultimate parent company, Ascential plc. Refer to the Ascential plc accounts, note 8, for details of the type of share-based payment arrangements and the general terms and conditions of each arrangement.

**7. Interest receivable and other income**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net foreign exchange gain on cash	47	75
Net foreign exchange gain on loans to/from Group undertakings	302	-
<b>Total interest receivable and other income</b>	<b>349</b>	<b>75</b>

**8. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net foreign exchange loss on loans to/from Group undertakings	-	2,228
Interest on loans	-	4
Discount unwind on lease liabilities	41	26
Interest payable on intercompany loans	-	302
<b>Total interest payable and other charges</b>	<b>41</b>	<b>2,560</b>

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**9. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on loss for the year	(2,630)	(3,218)
Adjustments in respect of prior year	211	542
<b>Total current tax credit</b>	<b>(2,419)</b>	<b>(2,676)</b>
<b>Deferred tax</b>		
Current year	(109)	486
Impact of rate changes	(37)	(90)
Adjustments in respect of prior years (note 12)	(1,602)	58
<b>Total deferred tax (credit)/charge</b>	<b>(1,748)</b>	<b>454</b>
<b>Total tax credit</b>	<b>(4,167)</b>	<b>(2,222)</b>

*Factors affecting the tax credit for the current year*

The tax credit for the year is higher (2021: higher) than the standard rate of corporation tax in the UK. The difference between tax as per the financial statements and tax at the UK standard rate is explained below:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loss before tax</b>	<b>(15,078)</b>	<b>(10,659)</b>
Expected tax credit at 19.0% (2021: 19.0%)	(2,865)	(2,025)
Non-deductible permanent items	71	(787)
Share-based payments tax deductions in excess of/(less than) accounts charge	56	(33)
Impact of tax rate changes	(37)	22
Adjustments in respect of prior years	(1,392)	601
<b>Total tax credit for the year</b>	<b>(4,167)</b>	<b>(2,222)</b>

## 10. Intangible assets

	Software £'000
<b>Cost</b>	
At 1 January 2022	4,332
Additions	676
Transferred to related Group undertakings	(1,689)
<b>At 31 December 2022</b>	<b>3,319</b>
<b>Amortisation &amp; impairment</b>	
At 1 January 2022	(1,194)
Charge during the year	(32)
Impairment	(1,319)
<b>At 31 December 2022</b>	<b>(2,545)</b>
<b>Net book value</b>	
<b>At 31 December 2022</b>	<b>774</b>
At 31 December 2021	3,138

During the first half of 2022, the decision was made to change the focus of the Edge Digital Shelf offering to clients and, as a result of this change, certain intangible assets associated with this product are no longer generating sufficient value to support the carrying value and an impairment charge of £1,319,000 has been recognised within administrative expenses in the Profit and Loss Account in the year.

When testing for impairment, the recoverable amount has been measured at its value-in-use by discounting the future expected cash flows from the assets. The key assumptions and estimates used for value-in-use calculations are as follows:

### *a) Future expected cash flows*

Cash flow forecasts over a five-year horizon have been prepared after considering the current economic environment in the relevant markets. In calculating the terminal value, cash flows beyond the five-year period are extrapolated using a long-term growth rate of 3%, representing the Company's best estimate of cash flow growth beyond the reassessed period.

### *b) Discount rates*

Inputs include risk-adjusted, pre-tax discount rates, calculated by reference to the weighted average cost of capital for the Company, weighted to the country in which that company operates in. The pre-tax discount rate applied to the risk-adjusted cash flow forecasts for the assets were 11.1%.

The calculation of value-in-use is most sensitive to the discount rates and long-term growth rates used. Impairment testing performed over the remaining assets of Edge at 31 December 2022 did not result in any further impairment.

Intangible assets amortisation is recorded in administrative expenses in the Profit and Loss Account.

## 11. Right-of-use Assets

	Right of Use Assets
	£'000
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	1,625
<b>Accumulated depreciation &amp; impairment</b>	
At 1 January 2022	(906)
Charge for the year	(257)
Impairment	(462)
<b>At 31 December 2022</b>	<b>(1,625)</b>
<b>Net book value</b>	
At 31 December 2022	-
At 31 December 2021	719

The Company's right of use asset wholly relates to a lease for office premises in Reading which is leased until August 2025 but is no longer utilised by the Company. As a result, the asset is no longer part of the CGU to which it belonged and no longer contributes to any of the Company's CGUs and so, during the year, an impairment charge of £462,000 has been recognised within administrative expenses in the Profit and Loss Account.

The total cash outflow for leases was £381,280 (2021: £381,280).

## 12. Deferred tax

	2022	2021
	£'000	£'000
<b>Deferred tax</b>		
Trading losses	1,683	-
Accelerated capital allowances	(56)	(217)
Other short-term timing differences	31	127
<b>Total deferred tax asset/(liability)</b>	<b>1,658</b>	<b>(90)</b>
Balance at the start of the year	(90)	363
Impact of rate changes	37	90
Deferred tax credit/(charge) in income statement for the year	1,711	(543)
<b>Balance at the end of the year</b>	<b>1,658</b>	<b>(90)</b>

The deferred tax asset has arisen mainly as a result of trading losses. The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore the asset has been recognised in these financial statements. Due to changes in the final tax positions of other members of the tax group during 2022 the Company is now able to group relieve £1.6m of net tax losses that existed as at FY21.



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**13. Debtors**

	2022	2021
	£'000	£'000
Trade receivables	5,896	5,519
Amounts receivable from Group undertakings	2,110	36,781
Prepayments	430	429
Contract assets - accrued income	1,316	2,243
Other debtors	40	110
<b>Total</b>	<b>9,792</b>	<b>45,082</b>

Amounts due from Group undertakings are interest-free, unsecured and are repayable on demand.

**14. Creditors: falling due within one year**

	2022	2021
	£'000	£'000
Trade creditors	545	96
Other taxation and social security	340	667
Accruals	1,499	2,119
Amounts payable to Group undertakings	31,415	54,815
Contract liabilities - deferred income	3,594	4,996
Corporation tax liability	56	33
Lease liabilities	381	381
Other creditors	832	471
<b>Total</b>	<b>38,662</b>	<b>63,578</b>

Amounts payable to Group undertakings are interest-free, unsecured and are repayable on demand. Included within the amounts payable to Group undertakings is the cash swept daily by the intermediary parent company Ascential Group Limited. There is a cash sweeping agreement in place between entities within the Group.

**15. Creditors: falling due after more than one year**

	2022	2021
	£'000	£'000
Lease liabilities	495	835
Amounts payable to Group undertakings	-	1,159
Deferred tax liability (note 12)	-	90
<b>Total</b>	<b>495</b>	<b>2,084</b>

Amounts payable to Group undertakings are interest-free, unsecured and are repayable on demand.

## 16. Provisions

The Company had the following provisions during the year:

	Dilapidations provision	Costs related to onerous lease	Other	Total
	£'000	£'000	£'000	£'000
At 1 January 2022	231	446	195	872
Provided	-	1,187	-	1,187
Utilised	-	(812)	(195)	(1,007)
<b>At 31 December 2022</b>	<b>231</b>	<b>821</b>	<b>-</b>	<b>1,052</b>

The Company's property provisions relate to a lease for office premises in Reading which is leased until August 2025 but is no longer utilised by the Company.

Provisions have been analysed between current and non-current as follows:

	2022	2021
	£'000	£'000
Due within one year	298	641
Due after more than one year	754	231
<b>Total</b>	<b>1,052</b>	<b>872</b>

## 17. Share capital

	2022	2021
	£'000	£'000
<b>Allotted, issued and fully paid</b>		
165,789 Ordinary shares of £1 each	166	166

There was no interim dividend paid in 2022 (2021: £nil). The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## 18. Commitments and contingencies

The Company is a guarantor to the Group's multi-currency revolving credit facility. Refer to the Ascential plc consolidated financial statements, Note 23, for details of the arrangement.

During the year, the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required.

The Company is registered with H.M. Revenue & Customs as a member of the Ascential Group Limited group for Value Added Tax and Pay As You Earn purposes and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their Value Added Tax, income tax and national insurance contributions liabilities.

The Company had no capital commitments at 31 December 2022 (2021: £nil).

**19. Related party transactions**

The Company has taken advantage of the exemption under FRS 101 not to disclose the details of its transactions with other wholly owned group companies as it is ultimately 100% owned by Ascential plc, the consolidated financial statements of which are publicly available.

**20. Ultimate parent company**

The immediate parent company as at 31 December 2022 was WGSN Group Limited, a company incorporated in England and Wales. The immediate parent company changed to Ascential Financing Limited, a company incorporated and registered in England and Wales, on 30 June 2023. Then on 17 November 2023, the immediate parent company changed to Flywheel Digital Holdings Limited, a company incorporated and registered in the Cayman Islands.

The ultimate controlling party at 31 December 2022 was Ascential plc, a company incorporated in England and Wales. The results of the Company are included in the consolidated financial statements of Ascential plc. Copies of Ascential plc accounts can be obtained from the Company Secretary at the registered address of Ascential plc.

**21. Events after the reporting period**

On 1 June 2023, the Company sold the trade and assets of its Acuity Business to Ascential P&P Limited, a fellow Group company, for £762,179 as part of a group-wide reorganisation.

The Company's immediate parent company changed to Ascential Financing Limited, a company incorporated and registered in England and Wales, on 30 June 2023, and then to Flywheel Digital Holdings Limited, a company incorporated and registered in Cayman Islands, on 17 November 2023.

On 30 October 2023 the ultimate controlling party, Ascential plc, announced its intention to sell its Digital Commerce business to Omnicom Group Inc. As a result the Company is expected to be sold in the near future.