

Report of the Director and
Financial Statements for the Year Ended 31 December 2016
for
Siteimprove Limited

TUESDAY



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for the Year Ended 31 December 2016

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Siteimprove Limited

Company Information
for the Year Ended 31 December 2016

DIRECTOR:

M E Ebbesen

REGISTERED OFFICE:

New Loom House
101 Back Church Lane
Suite 306
London
E1 1LU

REGISTERED NUMBER:

04932868 (England and Wales)

AUDITORS:

Krogh & Partners Limited, (Statutory Auditor)
823 Salisbury House
29 Finsbury Circus
London
EC2M 5QQ

Report of the Director
for the Year Ended 31 December 2016

The director presents his report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The Principal activity of the company continued to be website management.

REVIEW OF BUSINESS

The results for the year and the financial position at the year end, were considered satisfactory by the directors.

DIRECTOR

M E Ebbesen held office during the whole of the period from 1 January 2016 to the date of this report.

RESULTS AND DIVIDENDS

The Company's profit for the period amounted to GBP 272,454. The directors do not recommend the payment of a dividend.

POST BALANCE SHEET

No post balance sheet events have occurred since 31 December 2016 which requires reporting or disclosing in the accounts.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

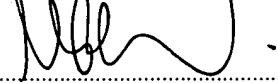
The auditors, Krogh & Partners Limited, (Statutory Auditor), have signified their willingness to continue in office. A resolution to re-appoint them will be proposed forthcoming Annual General Meeting.

Siteimprove Limited

Report of the Director
for the Year Ended 31 December 2016

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
M E Ebbesen - Director

Date: 4/7 - 2017

Report of the Independent Auditors to the Members of
Siteimprove Limited

We have audited the financial statements of Siteimprove Limited for the year ended 31 December 2016 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Siteimprove Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.



John Lindegaard (Senior Statutory Auditor)

~~for and on behalf of~~ Krogh & Partners Limited, (Statutory Auditor)

823 Salisbury House

29 Finsbury Circus

London

EC2M 5QQ

Date: 4/7 - 2017

Income Statement
for the Year Ended 31 December 2016

	Notes	2016 £	2015 as restated £
TURNOVER		2,432,675	2,072,997
Cost of sales		730,517	722,113
GROSS PROFIT		1,702,158	1,350,884
Administrative expenses		1,405,927	1,136,007
OPERATING PROFIT	3	296,231	214,877
Interest receivable and similar income		29,379	9,751
		325,610	224,628
Interest payable and similar expenses	4	11,579	2,442
PROFIT BEFORE TAXATION		314,031	222,186
Tax on profit		41,577	(82,083)
PROFIT FOR THE FINANCIAL YEAR		272,454	304,269

Other Comprehensive Income
for the Year Ended 31 December 2016

	Notes	2016 £	2015 as restated £
PROFIT FOR THE YEAR		272,454	304,269
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>272,454</u>	
Prior year adjustment			<u>133,387</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			<u><u>437,656</u></u>

Siteimprove Limited (Registered number: 04932868)

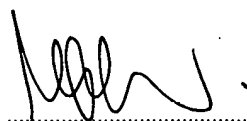
Balance Sheet

31 December 2016

		2016		2015 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Deferred commissions	6		296,613		255,710
Tangible assets	7		16,466		3,828
			<u>313,079</u>		<u>259,538</u>
CURRENT ASSETS					
Debtors	8	1,892,513		853,508	
Cash at bank		<u>290,680</u>		<u>87,084</u>	
		2,183,193		940,592	
CREDITORS					
Amounts falling due within one year	9	<u>2,462,084</u>		<u>1,438,396</u>	
NET CURRENT LIABILITIES			<u>(278,891)</u>		<u>(497,804)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,188</u>		<u>(238,266)</u>
CAPITAL AND RESERVES					
Called up share capital			1		1
Retained earnings			<u>34,187</u>		<u>(238,267)</u>
SHAREHOLDERS' FUNDS			<u>34,188</u>		<u>(238,266)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 4/7 2017 and were signed by:



M E Ebbesen - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1	(675,923)	(675,922)
Prior year adjustment	-	133,387	133,387
	<hr/>	<hr/>	<hr/>
As restated	1	(542,536)	(542,535)
	<hr/>	<hr/>	<hr/>
Changes in equity			
Total comprehensive income	-	304,269	304,269
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	1	(238,267)	(238,266)
	<hr/>	<hr/>	<hr/>
Changes in equity			
Total comprehensive income	-	272,454	272,454
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	1	34,187	34,188
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. **STATUTORY INFORMATION**

Siteimprove Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Changes in accounting policies

Management has decided to change the principles for recognition of incremental costs related to obtaining customer contracts as it provides a more true and fair value of the Company's financial position. The incremental costs cover sales commissions.

As the Siteimprove software is hosted on servers held by Siteimprove, the total package delivered to the customers is considered a service. Revenue is therefore recognized on a straight-line basis over the contract period. Following the revenue recognition criteria, it is expected, that the Company will recover the costs for sales commissions through future fees for the services provided by the Company.

Besides the above mentioned the accounting policies applied remain unchanged from previous years.

Going concern

The financial statements have been prepared under the going concern basis as the directors have indicated that sales figures are still strong. The management have confirmed that they will support the company if necessary.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Intangible assets

Deferred commissions comprise incremental sales commissions directly associated with obtaining a contract with a new customer and deemed realisable through the future revenue streams under the contract. Deferred commission are initially recognized at cost at the contract acquisition date and subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. Deferred commission is amortized on a straight-line basis, based on the estimated lifetime(historical churn rate) of the contract, but no more than 5 years.

Tangible fixed assets and depreciation

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

Computer equipment	-	33 % straight line
Fixtures, fittings and equipment	-	33 % straight line

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate of ruling at the date of the transaction. All differences are taken to profit and loss account.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. **ACCOUNTING POLICIES - continued**

Taxation

Current tax is provided at amounts expected to be paid (or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Debtors

Debtors are valued individually and there are made provision according to this valuation.

Creditors

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortised cost.

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2016	2015 as restated
	£	£
Depreciation - owned assets	4,177	4,775
Deferred commissions amortisation	83,227	55,634
Auditor's remuneration	4,000	4,000
Loss on disposal of fixed assets	-	1,342
	<u> </u>	<u> </u>

4. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016	2015 as restated
	£	£
Intercompany interest	<u>11,579</u>	<u>2,442</u>

5. **PRIOR YEAR ADJUSTMENT**

The effect on equity at January 1 2015 related to the change in recognition of incremental costs is GBP 133K, increase, for the Company. Under the new recognition compared to the statutory Financial Statements for 2015 the net result after is increased by GBP 122K. For 2016 the net result after tax and equity for the year is increased with GBP 33K.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

6. DEFERRED COMMISIONS

	Other intangible assets £
COST	
At 1 January 2016	382,087
Additions	124,130
	<hr/>
At 31 December 2016	506,217
	<hr/>
AMORTISATION	
At 1 January 2016	126,377
Charge for year	83,227
	<hr/>
At 31 December 2016	209,604
	<hr/>
NET BOOK VALUE	
At 31 December 2016	296,613
	<hr/>
At 31 December 2015	255,710
	<hr/>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2016	26,134
Additions	16,815
	<hr/>
At 31 December 2016	42,949
	<hr/>
DEPRECIATION	
At 1 January 2016	22,306
Charge for year	4,177
	<hr/>
At 31 December 2016	26,483
	<hr/>
NET BOOK VALUE	
At 31 December 2016	16,466
	<hr/>
At 31 December 2015	3,828
	<hr/>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015 as restated
	£	£
Trade debtors	413,590	286,026
Amounts owed by group undertakings	1,373,954	434,966
Other debtors	26,630	26,266
Deferred tax asset	40,506	82,083
Prepayments and accrued income	37,833	24,167
	<hr/>	<hr/>
	1,892,513	853,508
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015 as restated
	£	£
Amounts owed to group undertakings	735,423	2,167
Social security and other taxes	36,150	28,190
VAT	110,060	51,425
Other creditors	40,922	57,988
Accruals and deferred income	1,539,529	1,298,626
	<u>2,462,084</u>	<u>1,438,396</u>

10. OTHER FINANCIAL COMMITMENTS

Operating Leases:

At 31 December 2016 the company had total commitments under operating leases as set out below:

	Land and buildings	Other
Operating leases which expires:		
within one year	55,480	-
in the second to fifth years	-	-
after five years	-	-
	<u>55,480</u>	<u>-</u>

11. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.