

Report of the Director and
Financial Statements for the Year Ended 31 December 2022
for
Siteimprove Limited

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for the Year Ended 31 December 2022

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DIRECTOR: E K De Loach

REGISTERED OFFICE: Fifth Floor
24 Monument Street
London
EC3R 8AJ

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 2022

The director presents his report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

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

DIRECTOR

M C Sorensen held office from 1 January 2022 until after 31 December 2022 but prior to the date of this report.

E K De Loach was appointed as a director after 31 December 2022 but prior to the date of this report.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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), will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:

E K De Loach - Director

29 September 2023

Opinion

We have audited the financial statements of Siteimprove Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Director has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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.

Responsibilities of director

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, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge of the business;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, and anti-bribery;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

John Lindegaard (Senior Statutory Auditor)
for and on behalf of Krogh & Partners Limited, (Statutory Auditor)
823 Salisbury House
29 Finsbury Circus
London
EC2M 5QQ

29 September 2023

Income Statement
for the Year Ended 31 December 2022

	Notes	2022 £	2021 £
TURNOVER		5,276,415	4,920,315
Administrative expenses		<u>4,969,106</u>	<u>4,744,692</u>
OPERATING PROFIT	4	307,309	175,623
Interest receivable and similar income	5	<u>30,181</u>	<u>119,315</u>
		337,490	294,938
Interest payable and similar expenses	6	<u>760</u>	<u>12,651</u>
PROFIT BEFORE TAXATION		336,730	282,287
Tax on profit	7	<u>97,681</u>	<u>62,035</u>
PROFIT FOR THE FINANCIAL YEAR		<u>239,049</u>	<u>220,252</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 December 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		239,049	220,252
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>239,049</u>	<u>220,252</u>

Balance Sheet
31 December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Deferred commissions	8		1,578,306		729,515
Tangible assets	9		<u>1,205,707</u>		<u>47,108</u>
			2,784,013		776,623
CURRENT ASSETS					
Debtors	10	2,775,527		3,201,893	
Cash at bank		<u>425,672</u>		<u>465,560</u>	
		3,201,199		3,667,453	
CREDITORS					
Amounts falling due within one year	11	<u>4,809,970</u>		<u>3,594,883</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(1,608,771)</u>		<u>72,570</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,175,242		849,193
PROVISIONS FOR LIABILITIES	12		<u>90,000</u>		<u>3,000</u>
NET ASSETS			<u>1,085,242</u>		<u>846,193</u>
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Retained earnings			<u>1,085,241</u>		<u>846,192</u>
SHAREHOLDERS' FUNDS			<u>1,085,242</u>		<u>846,193</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 29 September 2023 and were signed by:

E K De Loach - Director

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	1	625,940	625,941
Changes in equity			
Total comprehensive income	-	220,252	220,252
Balance at 31 December 2021	<u>1</u>	<u>846,192</u>	<u>846,193</u>
Changes in equity			
Total comprehensive income	-	239,049	239,049
Balance at 31 December 2022	<u>1</u>	<u>1,085,241</u>	<u>1,085,242</u>

Notes to the Financial Statements
for the Year Ended 31 December 2022

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

Going concern

The financial statements have been prepared under the going concern assumption as the transfer pricing agreement is valid at least a year after the signing date of the Financial Statements. The Parent Company Group Financial Statements for 2022 have been prepared under the going concern assumption.

Related party exemption

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.

Turnover

Turnover from the sale of software services (subscriptions) is recognized on a straight-line basis over the contract period when the risks and rewards relating to the services have been transferred to the purchaser, and the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the company.

Turnover from the sale of professional services is recognized when the risks and rewards relating to the services have been fully or partially transferred to the purchaser, and the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the company.

Turnover is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. **ACCOUNTING POLICIES - continued**

Intangible assets

Deferred commissions comprise incremental sales commissions directly associated with obtaining a contract with a new customer and deemed realizable 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

Tangible fixed assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The expected useful life is:

Leasehold improvements 3 - 8 years

Other fixtures, furnitures and fittings 3 - 5 years

Taxation

Current tax and deferred taxation, including UK corporation 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.

Deferred taxation is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computation in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognized where it is considered more likely than not that future profits will be available for offset.

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. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 71 (2021 - 23) .

The director of the company is also director of other companies within the Group. The director's services to the company do not occupy a significant amount of his time. As such the director does not consider that he has received any remuneration for his incidental services to the company for the year ended 31 December 2022 (2021 - £nil).

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	2022 £	2021 £
Auditors' remuneration in total	<u>15,000</u>	<u>8,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

5. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£	£
Intercompany interest	29,872	119,315
Forex movements	309	-
	<u>30,181</u>	<u>119,315</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	760	10,122
Forex movements	-	2,529
	<u>760</u>	<u>12,651</u>

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	162,681	71,035
Deferred tax	(65,000)	(9,000)
Tax on profit	<u>97,681</u>	<u>62,035</u>

8. **DEFERRED COMMISIONS**

	Other intangible assets £
COST	
At 1 January 2022	1,793,835
Additions	<u>1,139,160</u>
At 31 December 2022	<u>2,932,995</u>
AMORTISATION	
At 1 January 2022	1,064,320
Charge for year	<u>290,369</u>
At 31 December 2022	<u>1,354,689</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,578,306</u>
At 31 December 2021	<u>729,515</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 January 2022	245,950
Additions	1,331,810
At 31 December 2022	<u>1,577,760</u>
DEPRECIATION	
At 1 January 2022	198,842
Charge for year	173,211
At 31 December 2022	<u>372,053</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,205,707</u>
At 31 December 2021	<u>47,108</u>

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	999,869	846,873
Amounts owed by group undertakings	1,143,272	2,115,470
Other debtors	229,225	171,821
Deferred tax asset	65,000	-
Prepayments and accrued income	338,161	67,729
	<u>2,775,527</u>	<u>3,201,893</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade creditors	256,013	37,938
Tax	109,329	69,862
Social security and other taxes	399,929	86,055
VAT	137,595	179,017
Other creditors	833,044	188,299
Accruals and deferred income	3,074,060	3,033,712
	<u>4,809,970</u>	<u>3,594,883</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. PROVISIONS FOR LIABILITIES

The Group recognises dilapidation provisions for leases where Siteimprove will have an obligation to restore the leases according to the contractual requirements when the leases come to an end. The provisions are based on internal assessments, estimates from the landlords and on the lifetime of each lease. There will be uncertainty to the actual outflow for dilapidation until leases in question have concluded and the space is formally assessed. The company has dilapidation obligations where £0 thousand is due within 12 months from balance sheet date and £90 thousand is due after more than 5 years.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
1	Ordinary	1	<u>1</u>	<u>1</u>

14. CONTINGENT LIABILITIES

The company and group companies has entered into an agreement with DNB Bank ASA regarding a credit facility and has issued Letter of Debenture in all fixed and floating assets belonging to the company as security for the credit facility.

15. OTHER FINANCIAL COMMITMENTS

At 31 December 2022 the company had commitments under non-cancellable operating leases totalling £2,223,250 (31 December 2021 - £1,665,123).

16. CONTROLLING PARTY

The immediate parent undertaking is Siteimprove A/S, incorporated in Denmark.

Siteimprove A/S is the smallest group to consolidate these financial statements and copies can be obtained from:

Siteimprove A/S
Havneholmen 33, 3
1561 Copenhagen V
Denmark

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.