Registration number: 06441873

LinkedIn Technology UK Limited

Financial Statements

for the Year Ended 31 December 2019

LinkedIn Technology UK Limited

Contents

LinkedIn Technology UK Limited

Company Information

Directors	Michelle Leung Benjamin Orndorff Keith Dolliver Lisa Sato
Registered number	06441873
Registered office	The Ray 123 Farringdon Road London EC1R 3DA
Independent Auditors	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2

LinkedIn Technology UK Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019. This is in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

LinkedIn is the world's largest professional network on the Internet with more than 660 million members in over 200 countries and territories at the year ended 31 December 2019. LinkedIn connects the world's professionals to make them more productive and successful. LinkedIn offers services that can be used by customers to transform the way they hire, market, sell, and learn. In addition to LinkedIn's free services, LinkedIn offers three categories of monetized solutions: Talent Solutions, Marketing Solutions, and Premium Subscriptions, which includes Sales Solutions.

The principal activity of LinkedIn Technology UK Limited (hereinafter "the company") is to increase awareness of the LinkedIn brand and product offerings in the UK market. It does this by providing marketing support services for its parent company, LinkedIn Ireland Unlimited Company (hereinafter "LinkedIn Ireland"), a company registered in the Republic of Ireland.

Principal risks and uncertainties

The principal risks and uncertainties of the company are intrinsically linked to the other LinkedIn group companies. The company has no significant borrowings.

Cash flow risk, credit risk, liquidity risk and market risk

Cash flow risk

Financial risk of changes in foreign currency exchange rates are mitigated by short payment terms by its ultimate parent company, Microsoft Corporation, and access to their cash pool where required. The company does not use derivative financial instruments for speculative purposes or to hedge risks. Cash flow risk is largely mitigated due to support provided by its parent company, LinkedIn Ireland.

Credit risk

The company's principal financial assets are intercompany debtors. The company's credit risk is primarily attributable to its intercompany receivable balance with LinkedIn Ireland. This is not considered a risk due to the solvency and liquidity of LinkedIn Ireland.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company relies on support from LinkedIn Ireland if required.

Market risk

The company's long-term success is dependent on its ability to attract and retain talented employees, to remain at the forefront of technological advances and wider long-term market trends. The company continues to invest in attracting and retaining high-calibre individuals and developing new technology to mitigate these risks.

Brexit

On 23 June 2016, the United Kingdom (U.K.) held a referendum in which voters approved an exit from the European Union ("E.U."), commonly referred to as "Brexit". The UK subsequently left the EU on 31 January 2020. Arising from this, the British government continues negotiating the terms of the U.K.'s future relationship with the E.U. Although it is unknown what those terms will be, it is possible that there will be greater restrictions on imports and exports between the U.K. and E.U. countries, employment restrictions for non-UK employees and increased regulatory complexities. The results of operations may be affected by legislation and political developments. The company has considered the risks associated with Brexit and has concluded that Brexit is not expected to impact significantly of the company's operational and financial results.

LinkedIn Technology UK Limited

Strategic Report for the Year Ended 31 December 2019

COVID-19

The beginning of 2020 saw a major outbreak of coronavirus (COVID-19) which has been declared by the World Health Organisation to be a pandemic. This pandemic has occurred after the company's year-end and is considered a non-adjusting post balance sheet event. The pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economics, financial markets and business practices.

Global and local crisis management teams have been put in place by LinkedIn to monitor the COVID-19 situation closely and to anticipate and react to the evolving circumstances. To protect the health and well-being of our employees, suppliers, and customers, LinkedIn has made substantial modifications to employee travel policies, implemented office closures as employees are advised to work from home, and cancelled or shifted our conferences and other marketing events to virtual-only.

The extent to which the COVID-19 pandemic impacts LinkedIn going forward will depend on numerous evolving factors which cannot be reliably predicted including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. Management expects that these factors will result in a significant slowdown in revenue growth as a material mix of LinkedIn's revenue is driven by customer hiring needs and advertising.

The company earns revenue solely from LinkedIn Ireland for the provision of marketing and EMEA strategic management services. Management have evaluated the financial impact of COVID-19 on the entity operations, solvency and liquidity and to date no significant impacts as a result of COVID-19 have been identified to cast doubt on the entity's ability to continue operating as a going concern. Management acknowledge that the effects of COVID-19 may not be fully reflected in the financial results until future periods, and continue to monitor the impact to the company.

Financial key performance indicators

The company's financial KPI for measuring success is revenue growth and the non financial KPI for measuring success is member growth.

The company's business activities have continued to grow during 2019. Turnover increased by 35% from $103,046,459 in 2018 to $139,078,715 in 2019. Administrative expenses increased by 37% from $89,005,588 in 2018 to $121,705,526 in 2019. The average headcount has increased by 17% from 270 in 2018 to 316 in 2019.

There has been a significant increase in both user engagement and user base during 2019. This has been achieved through a significant investment in marketing, advertising and an increase in headcount.

LinkedIn Technology UK Limited

Strategic Report for the Year Ended 31 December 2019

Section 172(1) statement
The directors of the company, in line with their duties under s.172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions.

As part of the company's decision-making process, the directors of the company consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the company's operations on the community and environment, the highest standard of conduct in line with group policies and the likely consequences of decisions in the long term.

Employees
The company acknowledges that people are key to its success and wants them to be successful individually and as a team. There are many ways in which it engages with and listens to its employees including formal and informal internal communications, through bi-weekly all-hands meetings with the CEO and quarterly employee voice surveys, as detailed in the Directors' Report (Page 8). Key areas of focus include health and well-being, development opportunities and benefits.

The company has an established approach to engaging employees to ensure it takes their perspectives into account in decision-making and action plans, and shares with them its strategy and progress.

Suppliers, Customers & Members
The company acknowledges the importance of building and maintaining strong relationships with its suppliers and customers while following policies and procedures provided by the Group, as detailed in the Directors' Report (Page 7).

Community and the Environment
The company engages with the communities in which it operates to build trust and understand the local issues that are important to them. Key areas of focus include how the company can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities and organisations to raise awareness and funds.

The impact of decisions on the environment both locally and nationally is considered. Employees of the company are actively encouraged to participate in the Group's overall mission for sustainability. Local and global activities are regularly held to highlight the importance of being mindful of the environment and communicate the current strategies in place.

High Standard of Conduct & Governance
As detailed in the Directors' Report (page 8) the directors of the company strive to operate in an ethical manner in line with LinkedIn values and Standards of Business Conduct. The company supports the Modern Slavery Act, operates as an equal opportunities employer, and encourages all members to embrace diversity and inclusion.

LinkedIn Technology UK Limited

Strategic Report for the Year Ended 31 December 2019

Fair review of the business

LinkedIn Corporation is a professional network on the Internet with approximately 660 million members in over 200 countries and territories. LinkedIn provides the majority of its products at no cost to its members. In addition to LinkedIn's free services, LinkedIn offers three categories of monetized solutions: Talent Solutions, Marketing Solutions, and Premium Subscriptions, which includes Sales Solutions. Talent Solutions is comprised of two elements: Hiring, and Learning and Dcvclopmcnt. Hiring provides services to recruiters that enable them to attract, recruit, and hire talent. Learning and Development provides subscriptions to enterprises and individuals to access online learning content. Marketing Solutions enables companies to advertise to LinkedIn's member base. Premium Subscriptions enables professionals to manage their professional identity, grow their network, and connect with talent through additional services like premium search. Premium Subscriptions also includcs Salcs Solutions, which helps sales professionals find, qualify, and create sales opportunities and accelerate social selling capabilities.

The company earns revcnuc for thc provision of marketing and EMEA strategic management services to its parent LinkedIn Ireland.

Approved by the Board on 29 September 2020 and signed on its bchalf by:

....	....
Michelle Leung	Lisa Sato
Director	Director

LinkedIn Technology UK Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement
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, the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2006. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The company's accounting records are maintained at Gardner House, Wilton Place, Dublin 2.

Results and dividends
The profit for the year, after taxation, amounted to $12,208,578 (2018: $12,553,727).

During the financial year no dividend was paid. (2018: $0).

Going concern
The beginning of 2020 saw a major outbreak of coronavirus (COVID-19) which has been declared by the World Health Organisation to be a pandemic. Management have evaluated the financial impact of COVID-19 on the entity operations, solvency and liquidity and to date no significant negative impacts as a result of COVID-19 have been identified to cast doubt on the company's ability to continue operating as a going concern in the foreseeable future. Management acknowledge that the effects of COVID-19 may not be fully reflected in the financial results until future periods, and continue to monitor the impact to the company.

The company has a letter of support that LinkedIn Ireland will guarantee the solvency of the company and provide it with sufficient financing resources for at least 12 months from the date of signing. The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future, and have given consideration to potential impacts of the COVID-19 pandemic. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

Future developments
It is the intention of the directors to continue to develop the activities of the company notwithstanding the economic challenges posed as a result of the COVID-19 pandemic. The company will continue to follow government policies and continue operations in the best and safest way possible without jeopardising the health of employees. Although the impact for the remainder of 2020 and thereafter cannot be predicted due to the uncertainty associated with the pandemic, a significant slowdown in revenue growth is expected as a material mix of LinkedIn's revenue is driven by customer hiring needs and advertising.

Directors
The names of the directors of the company who held office during or since the end of the financial year are :

Michelle Leung
Benjamin Orndorff
Keith Dolliver
Lisa Sato

Events after the Balance Sheet date
Subsequent to the year-end LinkedIn announced a reduction in workforce due to an evolution in the way the company works with small businesses and talent media customers, and demand-related changes resulting from the pandemic. The estimated financial impact is $1.7million.

The potential impacts of the COVID-19 pandemic are considered under the principal risks and uncertainties note on page 3. No other events occurred after the balance sheet date that would impact significantly on the financial statements.

Approval of reduced disclosures
The company continues to adopt the disclosure exemptions allowed under FRS 101. LinkedIn Ireland, the company's sole shareholder, has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

Engagement with suppliers, customers and members
The company builds strong relationships with its suppliers to develop mutually beneficial and lasting partnerships. The company recognises that relationships with suppliers are important to the Group's long-term success.

The company engages and builds its relationships with its customers and clients in a number of ways, from face-to-face interactions to online help and support teams. The company conducts a wide range of customer and client research to better understand their interactions with, and expectations of, LinkedIn. This includes close analysis and monitoring of customer complaints.

At the end of the year LinkedIn had more than 660 million members in over 200 countries and territories. "Members first" is one of LinkedIn's key values which guides the decision-making of directors and employees of the company to act in the best interests of its members.

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal internal communications and through bi-weekly all-hands meetings with the CEO.

In addition to direct feedback channels, a quarterly employee voice survey ("EVS") is conducted, the purpose of which is to develop an understanding of employee attitudes about their experiences working at LinkedIn. Managers take action based on the EVS results to improve employee engagement and retention, which in turn drives business success.

LinkedIn offers stock awards in the ultimate parent company, Microsoft Corporation, as a long-term incentive to employees, used to recognise and reward anticipated and future contributions.

Employment of disabled persons

The company values diversity and sees equal opportunity as making the best use of the talents of all employees and potential employees. As such, it is the company's policy to give full and fair consideration to applications for employment by disabled persons, bearing in mind the abilities of the applicant concerned. The company will not tolerate discrimination in the workplace and aims to ensure that each employee feels valued, and has the opportunity to contribute fully to the success of the company.

The company's general policy on training and promotion is to fit the qualifications and potential of each member of its staff to the appropriate job and career in the business. This policy is applied to disabled persons in the same way as to other staff.

In the event of an employee becoming disabled, the company endeavours to continue their employment, retraining them where appropriate, provided there are duties which they can perform considering the particular handicap or disability.

Modern slavery statement

We seek to make a positive and lasting impact on the world. This includes respecting human rights everywhere we do business. In accordance with our LinkedIn values and Standards of Business Conduct, we support the Modern Slavery Act and take steps to prevent slavery and human trafficking in our supply chain.

We aim to do business with companies who meet this bar. In practice, this means that we prohibit the use of involuntary or forced labour. Given that LinkedIn is not engaged in manufacturing and doesn't have a large supply chain, our business carries a lower risk of encountering human rights violations. That said, we require that our business partners go through a detailed screening process designed to identify any possible legal or compliance issues. Our business partners are also required to follow our Code of Conduct for Doing Business with LinkedIn ("Business Code") and to prohibit their affiliates, subcontractors and extended supply chain from violating human rights. We always insist upon workers being fairly compensated for the work they do on behalf of LinkedIn; it all ties into our vision of creating economic opportunity for every member of the global workforce. As a subsidiary of Microsoft Corporation, we also subscribe to Microsoft Corporation's robust commitments under the Modern Slavery Act.

LinkedIn Technology UK Limited

Directors' Report for the Year Ended 31 December 2019

Disclosure of information to the auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that :

• so far as the directors are aware, there is no relevant information of which they know the company's auditor is unaware, and

• those directors have taken all the steps that they ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 29 September 2020 and signed on its behalf by:

....	....
Michelle Leung	Lisa Sato
Director	Director

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the members of
LinkedIn Technology UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of LinkedIn Technology UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Continued on next page/

/Continued from previous page

**Independent auditor's report to the members of
LinkedIn Technology UK Limited**

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine is 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the entity's (or where relevant, the consolidated) financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's (or where relevant, the group's) internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concludes on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's (or where relevant, the group's) ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report and the directors' report.

Continued on next page/

/Continued from previous page

Independent auditor's report to the members of LinkedIn Technology UK Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

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 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.

John Kehoe, FCA (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 30 September 2020

LinkedIn Technology UK Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 $	2018 $
Turnover	2	139,078,715	103,046,459
Administrative expenses		(121,705,526)	(89,005,588)
Operating profit	3	**17,373,189**	**14,040,871**
Interest receivable and similar income	4	-	113,724
Finance costs	5	(1,611,832)	-
Other gains and losses	6	-	853,377
Profit before tax		15,761,357	15,007,972
Tax on profit	9	(3,552,779)	(2,454,245)
Profit for the financial year		**12,208,578**	**12,553,727**

The above results were derived from continuing operations.

The notes on pages 17 to 41 form an integral part of these financial statements.

LinkedIn Technology UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 $	2018 $
Profit for the financial year	12,208,578	12,553,727
Items that may be reclassified subsequently to profit and loss account		
Deferred Tax - SBC deduction	9,549	624,964
Total comprehensive income for the year	12,218,127	13,178,691

The notes on pages 17 to 41 form an integral part of these financial statements.

LinkedIn Technology UK Limited

(Registration number: 06441873)
Balance Sheet as at 31 December 2019

	Note	2019 $	2018 $
Fixed assets			
Tangible assets	10	107,015,682	16,462,718
Current assets			
Debtors	11	55,851,494	37,288,743
Cash at bank and in hand	12	522	-
		55,852,016	37,288,743
Creditors: Amounts falling due within one year	13	(47,818,026)	(28,624,495)
Net current assets		8,033,990	8,664,248
Total assets less current liabilities		115,049,672	25,126,966
Creditors: Amounts falling due after more than one year	19	(79,768,627)	-
Net assets		35,281,045	25,126,966
Capital and reserves			
Called up share capital	14	1,999	1,999
Other reserves	17	1,447,406	3,511,454
Profit and loss account		33,831,640	21,613,513
Shareholders' funds		35,281,045	25,126,966

Approved by the Board on 29 September 2020 and signed on its behalf by:

Michelle Leung
Director

Lisa Sato
Director

The notes on pages 17 to 41 form an integral part of these financial statements.

LinkedIn Technology UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital $	Other reserves $	Profit and loss - surplus $	Total $
At 1 January 2019	1,999	3,511,454	21,613,513	25,126,966
Profit for the financial year	-	-	12,208,578	12,208,578
Share-based payment recharge	-	(10,629,502)	-	(10,629,502)
Share-based payment expense	-	7,378,415	-	7,378,415
Income Tax - SBC deduction	-	1,187,039	-	1,187,039
Deferred Tax - SBC deduction	-	-	9,549	9,549
At 31 December 2019	1,999	1,447,406	33,831,640	35,281,045

	Share capital $	Other reserves $	Profit and loss - surplus $	Total $
At 1 January 2018	1,999	7,093,185	8,434,822	15,530,006
Profit for the financial year	-	-	12,553,727	12,553,727
Share-based payment recharge	-	(9,975,941)	-	(9,975,941)
Share-based payment expense	-	6,394,210	-	6,394,210
Deferred Tax - SBC deduction	-	-	624,964	624,964
At 31 December 2018	1,999	3,511,454	21,613,513	25,126,966

The notes on pages 17 to 41 form an integral part of these financial statements.

1 Accounting policies

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

Basis of accounting
The company is incorporated and domiciled in the United Kingdom. These financial statements present information about the company as an individual undertaking.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied. In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, and presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions, including key management personnel.

Where relevant, equivalent disclosures have been given in the group accounts of Microsoft Corporation. The Group accounts of Microsoft Corporation are available to the public and can be obtained as set out in note 21.

Financial reporting standard 101 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions under FRS 101:
• the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
• the requirements of IFRS 7 Financial Instruments: Disclosures
• the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
• the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
- paragraph 79(a)(iv) of IAS 1
• the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
• the requirements of IAS 7 Statement of Cash Flows
• the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• the requirements of paragraph 17 of IAS 24 Related Party Disclosures
• the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
• the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
• the second sentence of paragraph 110 and the requirements of paragraphs 113(a), 114,115,118,119 (a) to (c), 120 to 127 and 129 of IFRS 15

New and amended IFRS applied with no material effect on the financial statements
The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements:

IFRIC 23 "Uncertainty over Income Tax Treatments"

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

• Whether tax treatments should be considered collectively.
• Assumptions for taxation authorities' examinations.
• The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
• The effect of changes in facts and circumstances.

There is no impact of IFRIC 23 interpretation on the company's financial statement in 2019.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

The Amendment relates to the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Plan Amendment, Curtailment or Settlement to IAS 19

The amendment to IAS 19 Employee Benefits address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

Amendments to IAS 28 Investment in Associates and Joint Ventures

Relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Annual Improvements to IFRS Standards 2015-2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.
The Annual Improvements include amendments to four Standards.

• IAS 12 Income Taxes - The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income, or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

• IAS 23 Borrowing costs - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

• IFRS 3 Business Combinations - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

• IFRS 11 Joint Arrangements - The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.

All the amendments are effective for annual periods beginning on or after 1 January 2019 and generally require prospective application. Earlier application is permitted.

New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements
The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these financial statements.

IFRS 16 - Leases
IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in the company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value. No leases have been identified as being low value.

The new Standard has been applied as per the modified retrospective cumulative catch-up transition approach and the company has chosen to measure the right-of-use asset at an amount equal to the present value of the lease liability (adjusted for accruals and prepayments) as of the adoption date.

For contracts in place at the date of initial application, the company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the company has also elected to measure the right-of-use assets at an amount equal to the present value of the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 1.85%.

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at 1 January 2019:

	Carrying amount at 31 December 2018 $	Remeasurement $	IFRS 16 Carrying amount at 1 January 2019 $
Office building	-	34,353	34,353
IT Equipment	-	172,990	172,990
Lease liabilities	-	(207,343)	(207,343)
Total impact on equity	-	-	-

The following is a reconciliation of total operating lease commitments at 31 December 2018 (as disclosed in the financial statements to 31 December 2018) to the lease liabilities recognised at 1 January 2019:

	$
Total operating lease commitments disclosed at 31 December 2018	100,426,763
Lease not available for use	(100,426,763)
	-
Commitments not disclosed in 2018	207,343
Total lease liabilities recognised under IFRS at 1 January 2019	207,343

Revenue recognition policy under IFRS 15

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised as and when services have been rendered.

Tangible fixed assets

Tangible fixed assets are stated at historical cost, less accumulated depreciation. Assets in the course of construction are not depreciated until they are brought into use.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Asset class	**Depreciation method and rate**
Leasehold Improvements	shorter of 5 years and the life of the lease
Computer Equipment	straight line over 2 - 3 years
Office Equipment	straight line over 3 - 5 years
Right-of-use assets	lease term

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any material changes in estimates accounted for on a prospective basis.

Going concern

The beginning of 2020 saw a major outbreak of coronavirus (COVID-19) which has been declared by the World Health Organisation to be a pandemic. Management have evaluated the financial impact of COVID-19 on the entity operations, solvency and liquidity and to date no significant negative impacts as a result of COVID-19 have been identified to cast doubt on the company's ability to continue operating as a going concern in the foreseeable future.. Management acknowledge that the effects of COVID-19 may not be fully reflected in the financial results until future periods, and continue to monitor the impact to the company.

The company has a letter of support that LinkedIn Ireland will guarantee the solvency of the company and provide it with sufficient financing resources for at least 12 months from the date of signing. The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future, and have given consideration to potential impacts of the COVID-19 pandemic. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current Tax and Deferred Tax for the financial year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded in US Dollars at the rate of exchange ruling at the dates of the transactions. The resulting monetary assets and liabilities are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Exchange differences are recorded in the profit and loss account.

Share-based payments

Share-based payments made to employees and others, that grant rights over the shares of the ultimate parent entity (hereinafter "Microsoft Corporation"), are accounted for as equity-settled share-based payment transactions when the rights over the shares are granted by Microsoft Corporation. The estimated fair value of equity-based instruments are recognised over the vesting period. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period and adjusted for the effect of non-market based vesting conditions. As Microsoft Corporation does not require reimbursement for the cost of the grant, amounts relating to the grant are deemed a contribution by Microsoft Corporation in its capacity as owner.

If the parent company levies an intercompany charge on the company in relation to the share-based payments, the amount of that charge is offset against the capital contribution. If the amount of recharge exceeds the capital contribution, that excess is accounted for as a distribution to Microsoft Corporation.

Financial Instruments

Classification

Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The company considers a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers quantitative and qualitative information that is reasonable and supportable, including historical experience.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Overall economic health risk
- Overall political health risk
- Current outstanding receivables performance over a rolling 12 months
- Bad debts historical losses over a rolling 24 months
- Over 180 days past due receivables performance over a rolling 12 months

Irrespective of the outcome of the above assessment, the company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The company considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

Definition of default
The company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:
• When there is a breach of financial covenants by the counterparty; or
• Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors in full.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are severely past due. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:
• Nature of financial instruments (i.e. trade and other receivables and amounts due from customers are each assessed as a separate group. Receivables from related parties are assessed for expected credit losses on an individual basis);
• Past-due status;
• Nature, size and industry of debtors;
The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Reclassification of financial assets
Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

Derecognition of financial assets
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised as the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities
Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, and amounts due to related parties.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at amortised cost.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Pension Scheme
The company operates a defined contribution pension scheme and contributions are charged against profits as they fall due.

Trade creditors
Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Leases

The company as a lessee
For any new contracts entered on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition, the company assesses whether the contract meets three key evaluations which are whether:
• the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company;
• the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
• the company has the right to direct the use of the identified asset throughout the period of use. The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has elected to account for low-value leases using the practical expedient. Therefore, the right-of-use asset and lease liability for low-value leases will be not recognised on the balance sheet. As at 31 December 2019 there are no leases which are below USD $5k but should the situation arise, this exemption will be applied.

On the statement of financial position, right-of-use assets have been included in tangible assets and lease liabilities have been included split between other current liabilities and long-term lease liabilities. They will be disclosed in detail in the notes.

Operating Lease Agreements - Prior to 1 January 2019
Prior to 1 January 2019, rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease under IAS 17.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

No critical judgements, apart from those involving estimations were required to be made by management in the process of applying the company's accounting policies.

Key sources of estimation uncertainty
The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Valuation of share-based payments
The ultimate parent company, Microsoft Corporation, issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on an accelerated recognition basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

(ii) Useful lives of tangible assets
The cost of property, plant and equipment is depreciated using the straight-line method, over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. Management has not considered any residual value as it is deemed immaterial.

(iii) Deferred tax assets
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iv) Calculation of appropriate discount rate - IFRS 16
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined the lessee's incremental borrowing rate is used. The incremental borrowing rate reflects the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value in a similar economic environment. The company used incremental borrowing rates specific to each lease at rates of 1.85% on the lease in existence at the date of transition and 2.27% on lease additions during the year.

2 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 $	2018 $
Marketing support services income from related company	139,078,715	103,046,459

3 Operating profit

The operating profit is stated after charging/(crediting)

		2019 $	2018 $
Depreciation of tangible fixed assets	10.1	3,498,486	2,392,625
Foreign exchange gains		(302,986)	(280,718)
Defined contribution pension costs		2,111,848	1,757,415
Amortisation on right-of-use assets	10.2	5,560,504	-
Operating lease cost	20	-	3,209,974

During the year, no director received any emoluments (2018: Nil). Directors emoluments were borne by a fellow group company.

4 Interest receivable and similar income

	2019 $	2018 $
Interest income on loan with related party	-	113,724

5 Finance costs

		2019 $	2018 $
Interest paid on loan with related party		234,618	-
Interest expense on leases liabilities	19	1,377,214	-
		1,611,832	-

6 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2019 $	2018 $
Gain on settlement of asset retirement obligation	-	853,377

7 Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2019 $	2018 $
Audit of the financial statements	21,339	20,865

No other fees were paid in relation to any other services, except as disclosed above (2018: $Nil).

8 Staff costs

Staff costs were as follows:

		2019 $	2018 $
Wages and salaries		56,994,983	51,174,172
Social security costs		9,556,897	8,791,392
Defined contribution pension costs	18	2,111,848	1,757,415
Share-based payment expenses	16	7,378,415	6,394,210
		76,042,143	68,117,189

The average monthly number of employees, including directors during the year, was as follows:

	2019 No.	2018 No.
Sales, marketing and distribution	316	270

9 Income tax

Tax charged in the profit and loss account

		2019 $	2018 $
Corporation tax			
Current tax on profits for the year		3,726,784	2,207,418
UK corporation tax adjustment in respect of prior periods		(58,313)	(185,310)
		3,668,471	2,022,108
Deferred tax			
Origination and reversal of timing differences		(187,617)	495,579
Adjustment in respect of prior periods		52,176	(11,276)
Arising from changes in tax rates and laws		19,749	(52,166)
Total deferred taxation	15	(115,692)	432,137
Tax expense in the profit and loss account		3,552,779	2,454,245

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	2019 $	2018 $
Profit before tax	15,761,357	15,007,972
Corporation tax at standard rate	2,994,658	2,851,515
Adjustments to tax charge in respect of prior periods	(6,138)	(196,586)
Expenses not deductible for tax purposes	112,880	170,436
Share options timing differences	(75,442)	(549,619)
Deferred tax expense relating to changes in tax rates or laws	19,749	-
Other tax effects for reconciliation between accounting profit and tax expense	507,072	178,499
Total tax charge	3,552,779	2,454,245

10 Tangible assets

		31 December 2019 $	31 December 2018 $
Tangible assets	10.1	25,604,240	16,462,718
Right-of-use assets	10.2	81,411,442	-
		107,015,682	16,462,718

10.1 Tangible assets

	Leasehold improvements $	Office equipment $	Computer equipment $	Total $
Cost or valuation				
At 1 January 2019	24,503,122	5,171,369	4,024,234	33,698,725
Additions	8,673,865	3,018,764	947,379	12,640,008
Disposals	(1,081,777)	-	-	(1,081,777)
At 31 December 2019	32,095,210	8,190,133	4,971,613	45,256,956
Depreciation				
At 1 January 2019	10,606,523	3,292,343	3,337,141	17,236,007
Charge for the year	1,389,354	1,370,582	738,550	3,498,486
Eliminated on disposal	(1,081,777)	-	-	(1,081,777)
At 31 December 2019	10,914,100	4,662,925	4,075,691	19,652,716
Carrying amount				
At 31 December 2019	21,181,110	3,527,208	895,922	25,604,240
At 31 December 2018	13,896,599	1,879,026	687,093	16,462,718

10.2 Right-of-use assets - Leases

The company has lease contracts for its office and various IT equipment. These are included within tangible assets in the balance sheet. Details of the company's right-of-use assets and their carrying amounts are as follows:

	Office building $	IT equipment $	Total $
Cost or valuation			
Impact on IFRS 16 adoption at 1 January 2019	34,353	172,990	207,343
Additions	86,595,623	168,980	86,764,603
At 31 December 2019	86,629,976	341,970	86,971,946
Depreciation			
Charge for the year	5,391,417	169,087	5,560,504
At 31 December 2019	5,391,417	169,087	5,560,504
Carrying amount			
At 31 December 2019	81,238,559	172,883	81,411,442

Additions to the right-of-use assets during the 2019 financial year were $86,764,603.

11 Trade and other debtors

	Note	31 December 2019 $	31 December 2018 $
Amounts owed by related parties*		47,050,024	31,077,312
VAT receivable		2,689,386	1,487,096
Prepayments**		2,607,255	1,554,677
Other debtors		951,659	525,692
Deferred tax	15	2,553,170	2,427,929
Corporation tax debtor		-	216,037
Total current trade and other debtors		55,851,494	37,288,743

* The management of the company estimate the allowance on amounts owed by related parties at the end of the reporting period at an amount equal to lifetime expected credit losses ("ECL"). None of the receivable balances from related parties at the end of the reporting period are past due, and taking into account the historical default experience and the future prospects of the industries in which the related parties operate, management of the company consider that no related party balances are impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for balances due from related parties. Balances due from related parties are unsecured, do not incur interest and are payable within 60-90 days from delivery of invoice.

**Prepayments of $814,846 (2018: Nil) fall due after more than one year. The carrying value of prepayments and other debtors does not contain any impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of prepayments and other debtors. The company measures the loss allowance for prepayments and other debtors at an amount equal to lifetime ECL. The ECL on prepayments and other debtors are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as forecast direction of conditions at the reporting date. The company has not recorded any credit losses on the amounts outstanding at the reporting date since no such receivables met the criteria for loss allowance.

12 Cash at bank and in hand

	31 December 2019 $	31 December 2018 $
Cash at bank	522	-

13 Creditors: Amounts falling due within one year

		31 December 2019 $	31 December 2018 $
Trade creditors		2,372,505	700,326
Amounts due to related parties		22,793,045	12,365,224
Corporation tax payable		1,479,405	1,479,300
Social security taxes		5,403,433	4,184,183
Accrued expenses		13,060,251	9,895,462
Current portion of long term lease liabilities	19	2,709,387	-
		47,818,026	28,624,495

The directors consider that the carrying value of creditors approximates fair value.

14 Share capital

Allotted, called up and fully paid shares

	31 December 2019 No.	$	31 December 2018 No.	$
1,000- Issued shares of $1.999 each	1,000	1,999	1,000	1,999

15 Deferred tax

The deferred tax included in the balance sheet is as follows :

		31 December 2019 $	31 December 2018 $
Include in debtors			
Deferred tax	11	2,553,170	2,427,929
Deferred tax assets		2,553,170	2,427,929

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of :

	At 1 January 2019 $	Recognised in profit and loss account $	Recognised in equity $	At 31 December 2019 $
Accelerated tax depreciation	706,324	(236,901)	-	469,423
Other items	54,285	15,445	-	69,730
Share-based payment	1,667,320	337,148	9,549	2,014,017
Net tax assets	2,427,929	115,692	9,549	2,553,170

16 Share-based payments

The company grants share-based compensation to employees and directors for shares of Microsoft Corporation, the ultimate holding company or "Microsoft", through Stock Awards ("SAs").

SAs are grants that entitle the holder to receive shares of Microsoft Corporation common stock as the awards vest. SAs generally vest over a period of four or five years. SAs will cease to vest if the employee leaves the company. Stock awards, which include restricted stock units ("RSUs"), are measured at the fair value on the grant date and recognised as an expense, net of estimated forfeitures, over the related service or performance period. The fair value of stock awards is based on the quoted price of our common stock on the grant date less the present value of expected dividends not received during the vesting period. Compensation cost for RSUs is recognised using the straight-line method. Microsoft stock options are granted primarily in conjunction with business acquisitions and are generally exercisable up to 10 years after the original grant date.

Microsoft Corporation also has an employee stock purchase plan ("ESPP") for all eligible employees. Shares of Microsoft Corporation may be purchased by employees at three-month intervals at 90% of the fair market value on the last trading day of each three-month period. Employees may purchase shares having a value not exceeding 15% of their gross compensation during an offering period.

The weighted average share price at the date of exercise for share options exercised during the period was $87.31. The options outstanding at 31 December 2019 had a weighted exercise price of $18.81 and a weighted average contractual life of 8.4 years. Stock options with a fair value of $68,804 were awarded in the current year (2018: Nil).

SAs with a fair value of $10,113,636 were awarded in the current year (2018: $9,164,358). The current year share-based payment expense is $7,378,415 (2018: $6,394,210).

17 Reserves

Other reserves

Other reserves are comprised of equity settled share-based payments to the company's employees.

18 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling $2,111,848 (2018: $1,757,415) were payable to the fund during the year. $410,152 was outstanding at the year-end (2018: $319,323).

19 Leases

The company has leases for the office and some IT equipment. The company classifies its right-of-use assets in a consistent manner to its tangible assets (see Note below).

Each lease generally imposes a restriction that, unless there is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. Leases are non-cancellable. The company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The table below describes the nature of the company's leasing activities by type of right-of-use asset recognised on balance sheet:

	No. of right-of-use assets leased	Range of remaining term (Years)	Average remaining lease term	No. of leases with termination option
Office building	8	14	14	-
IT Equipment	1	1	1	1

Right-of-use assets

Additional information on the right-of-use assets by class of assets is as follows:

	Asset	Carrying amount at 31 December 2019 $	Additions $	Depreciation $	Impairment $
Office building	8	81,238,558	86,595,623	(5,391,417)	-
IT equipment	1	172,883	168,980	(169,087)	-
	9	81,411,441	86,764,603	(5,560,504)	-

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

Lease liabilities

Lease liabilities are presented in the balance sheet as follows:

	$
Cost or valuation	
At 1 January 2019	207,343
Additions	86,764,603
Interest accretion	1,377,214
Lease payments	(5,871,146)
At 31 December 2019	82,478,014

	31 December 2019 $
Current portion of long term lease liabilities	2,709,387
Long term lease liabilities	79,768,627

Balance of lease liabilities were $Nil for 31 December 2018 due to adoption of IFRS 16 on 1 January 2019.

The use of extension options gives the company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. There are no extension and termination options associated with these leases. Accordingly, there are no future cash outflows to which the company is potentially exposed in respect of extension and termination options.

Sale and leaseback transactions

There have been no sale and leaseback transactions in the current year.

Depreciation and amortisation expense

Depreciation and amortisation expense consist of the following:

	31 December 2019 $	31 December 2018 $
Depreciation of right-of-use assets	5,560,504	-

Finance costs for the reporting periods consist of the following:

	31 December 2019 $	31 December 2018 $
Interest expense on lease liabilities	1,377,214	-

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	31 December 2019 $
Less than one year	4,175,502
2 years	4,082,661
3 years	4,015,037
4 years	4,015,037
5 years	6,357,151
5-10 years	40,150,445
Between 10-25 years	32,272,520
Total lease liabilities (undiscounted)	95,068,353

20 Obligations under operating leases

Operating leases

The amount of non-cancellable operating lease payments (under IAS 17) recognised as an expense during the year was $Nil (2018: $3,209,974)

The total future value of minimum lease payments is as follows:

	31 December 2019 $	31 December 2018 $
Within one year	-	5,055,038
In two to five years	-	16,176,123
In over five years	-	79,195,602
Total	-	100,426,763

21 Controlling party

The company's ultimate parent undertaking and controlling party is Microsoft Corporation, incorporated in the United States of America. The largest and smallest group in which the results of the company are consolidated is that headed by Microsoft Corporation. The consolidated financial statements of Microsoft Corporation are physically available at One Microsoft Way, Redmond, Washington, 98052-6399.

The directors consider the immediate parent undertaking to be LinkedIn Ireland, a company incorporated in The Republic of Ireland.

22 Post Balance Sheet Events

Subsequent to the year-end LinkedIn announced a reduction in workforce due to an evolution in the way the company works with small businesses and talent media customers, and demand-related changes resulting from the pandemic. The estimated financial impact is $1.7million.

The potential impacts of the COVID-19 pandemic are considered under the principal risks and uncertainties note on page 3. No other events occurred after the balance sheet date that would impact significantly on the financial statements.