

Company Registration No. 07982351 (England and Wales)

DOT LONDON DOMAINS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

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DOT LONDON DOMAINS LIMITED

COMPANY INFORMATION

Directors

L Citron
J Darwin
S McCaugherty
R Wangen-Jones
N Rughani

Company number

07982351

Registered office

169 Union Street
London
SE1 0LL

Auditor

RSM UK Audit LLP
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

DOT LONDON DOMAINS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

Dot London Domains Limited ("DLD", "the company") is a wholly owned subsidiary of London & Partners Limited, London's business growth and destination agency. The company operates the registry for the top level domain name for London (Dot London or .london).

Business review

Dot London Domains Limited continued to perform well and maintained its position as the number four city top-level domain behind Tokyo, NYC and Berlin. The company continued its targeted marketing activities to promote sales and awareness.

The company recorded revenue of £0.92m for the year (2021: £0.95m) and net profit after tax of £0.17m (2021: £0.58m). The level of revenue for the year reflects an 4% decrease (2021: 81% decrease) in revenue from domain sales during the period. The significant reduction primarily related to a drop in sales during transition to a new registry service provider and a significant number of domains, previously sold as part of a promotion, reaching the end of their effective period and not being renewed at full price. All profits are either retained for the operation of the business or distributed to London & Partners to fund the parent not-for-profit activity of the promotion of London.

Future prospects/outlook

Following a successful tender process and migration to a new supplier for Registry Services, Dot London business is well-positioned for 2022/23. The business expects to generate a consistent level of sales with ambitions for modest growth from targeted marketing campaigns to increase both brand awareness and the size of the Dot London registry.

Going concern

The accounts have been prepared on the going concern basis based on the directors' assessment of the company's financial position and the forecast for the next 12 months. The directors consider that the current cash balance and cash expected to be generated from operations will be sufficient to allow the company to continue to meet its liabilities as they fall due. The company has received a letter confirming support from its parent company for at least 12 months from the date of this report.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Bradley	(Resigned 5 August 2022)
L Citron	
P Coggins	(Resigned 5 August 2022)
A Cooke	(Resigned 31 January 2022)
J Darwin	
H Lewington	(Resigned 5 August 2022)
S McCaugherty	
T Rajah	(Resigned 5 August 2022)
R Wangen-Jones	
N Rughani	(Appointed 20 May 2021)

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

DOT LONDON DOMAINS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

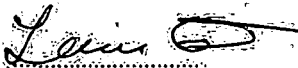
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



L Citron
Director

Date: 23/02/2023

DOT LONDON DOMAINS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOT LONDON DOMAINS LIMITED

Opinion

We have audited the financial statements of Dot London Domains Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOT LONDON DOMAINS LIMITED (CONTINUED)

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were 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 directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOT LONDON DOMAINS LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice from external tax advisors.

We do not consider there to be any significant laws and regulations which have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls and the risk of revenue, deferred income and related costs being recognised in the incorrect period as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, recalculating the revenue and deferred income position based on the source data.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Jonathan Da Costa

Jonathan Da Costa FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN

24/02/23

DOT LONDON DOMAINS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

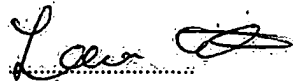
	2022 £'000	2021 £'000
Turnover	917	952
Cost of sales	(383)	(50)
Gross profit	534	902
Administrative expenses	(310)	(267)
Operating profit	224	635
Interest payable and similar expenses	(2)	
Profit before taxation	222	635
Tax on profit	(54)	(56)
Profit for the financial year	168	579

DOT LONDON DOMAINS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
Current assets			
Debtors falling due after more than one year	3	48	81
Debtors falling due within one year	3	216	348
Cash at bank and in hand		2,448	2,860
		<u>2,712</u>	<u>3,289</u>
Creditors: amounts falling due within one year	4	(666)	(597)
Net current assets			2,692
Creditors: amounts falling due after more than one year	5	(126)	(140)
Net assets		<u>1,920</u>	<u>2,552</u>
Capital and reserves			
Called up share capital			-
Profit and loss reserves		1,920	2,552
Total equity		<u>1,920</u>	<u>2,552</u>

These 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 board of directors and authorised for issue on 23/02/2023 and are signed on its behalf by:



L Citron
Director

DOT LONDON DOMAINS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
Notes	£'000	£'000	£'000
Balance at 1 April 2020		3,773	3,773
Year ended 31 March 2021:			
Profit and total comprehensive income for the year		579	579
Transactions with owners		(1,800)	(1,800)
Balance at 31 March 2021		2,552	2,552
Year ended 31 March 2022:			
Profit and total comprehensive income for the year		168	168
Transactions with owners		(800)	(800)
Balance at 31 March 2022		1,920	1,920

DOT LONDON DOMAINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Dot London Domains Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 169 Union Street, London, SE1 0LL.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The accounts have been prepared on the going concern basis which the directors consider to be appropriate because they have assessed the company's financial position and the forecast for the next 12 months and consider that the current cash balance plus cash expected to be generated from operations will be sufficient to allow the company to meet its liabilities as they fall due for at least 12 months from the date of this report. The company has received a letter confirming support from its parent company for at least 12 months from the date of this report.

Turnover

Turnover from the company's principal activity represents fees for domain name registration and related services (excluding VAT) arising from the provision of registry services. Registration fees are recognised as turnover in the accounting period in which the services are provided. Income received in advance of the accounting period to which it relates is recorded in the Statement of Financial Position as deferred income. Turnover from registration fees is presented in the Statement of Comprehensive Income after deducting any discounts given to customers. Where the fee from initial registration is higher than the subsequent renewal fee (arising mainly from the registration of "premium names"), the difference between the initial registration fee and the ongoing renewal fee (the "premium") is recognised at the date of registration with the balance recognised over the registration period.

Turnover arising from contractual arrangements included in the company's Registry Services Agreement with its Registry Service Provider is recognised when the income is independent of fees to customers for domain name registration and related services and when the company has no future obligations in respect of the income.

Income from other services is recognised when the services are provided.

Income from re-charging certain agreed expenses paid on behalf of third parties is presented as income with the related cost shown within total expenditure.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, and deposits held at call with banks.

DOT LONDON DOMAINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

DOT LONDON DOMAINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All translation differences are taken to profit or loss.

2 Employees

The company had no employees during the year (2021: none). Staff costs included in the statement of comprehensive income represent staff employed by the parent company who are seconded to the company. Recharges incurred during the year from the parent company for these staff were £94k (2021: £115k).

Directors

The directors received no remuneration for their services directly from the company (2021: nil).

3 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	96	71
Corporation tax recoverable	8	8
Other debtors	110	268
Prepayments and accrued income	2	1
	<u>216</u>	<u>348</u>

DOT LONDON DOMAINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Debtors (Continued)

	2022 £'000	2021 £'000
Amounts falling due after more than one year:		
Other debtors	48	81
	<u> </u>	<u> </u>
Total debtors	264	429
	<u> </u>	<u> </u>

4 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	6	19
Amounts owed to group undertakings	134	24
Taxation and social security	17	-
Other creditors	15	37
Accruals and deferred income	494	517
	<u> </u>	<u> </u>
	666	597
	<u> </u>	<u> </u>

Amounts owed to group undertakings are repayable on demand and do not incur interest.

5 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Deferred income	126	140
	<u> </u>	<u> </u>

Deferred income falling due within one year and after more than one year represents fees for domain name registration and related services billed to customers during the year with respect to future periods. The amount falling due after more than 5 years is £9,962 (2021: £11,839).

6 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

7 Parent company

The company's immediate and ultimate parent company is London & Partners Limited, a company incorporated in the United Kingdom and registered in England and Wales which heads the smallest and largest group in which the results of the company are included. The consolidated accounts of London & Partners Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The directors consider that there is no ultimate controlling party above London & Partners Limited.