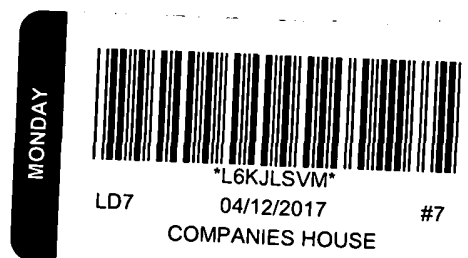


**Siteground Hosting Limited.**  
**Unaudited Financial Statements**  
**31 December 2016**



# **Siteground Hosting Limited.**

## **Financial Statements**

**Year ended 31 December 2016**

<b>Contents</b>	<b>Page</b>
Director's report	<b>1</b>
Statement of comprehensive income	<b>2</b>
Statement of financial position	<b>3</b>
Statement of changes in equity	<b>5</b>
Notes to the financial statements	<b>6</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	<b>11</b>
Notes to the detailed income statement	<b>12</b>

# Siteground Hosting Limited.

## Director's Report

**Year ended 31 December 2016**

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

### Principal activities

The principal activity of the company during the year was web hosting services.

### Director

The director who served the company during the year was as follows:

Irina Takova Zaharieva

### Small company provisions

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

This report was approved by the board of directors on 17/11/17 and signed on behalf of the board by:



Irina Takova Zaharieva  
Director

Registered office:  
3rd Floor 11-12 St. James's Square  
London  
United Kingdom  
SW1Y 4LB

**Siteground Hosting Limited.**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2016**

		Year to 31 Dec 16 £	Period from 10 Dec 14 to 31 Dec 15 £
	Note		
<b>Turnover</b>		<b>1,763,394</b>	17,543
Cost of sales		<u>1,153,619</u>	<u>50,421</u>
<b>Gross profit/(loss)</b>		<b>609,775</b>	(32,878)
Distribution costs		<u>789,822</u>	10,740
Administrative expenses		<u>134,631</u>	<u>56,577</u>
<b>Operating loss</b>		<b>(314,678)</b>	(100,195)
Interest payable and similar expenses		<u>2,051</u>	<u>773</u>
<b>Loss before taxation</b>	<b>5</b>	<b>(316,729)</b>	(100,968)
Tax on loss		<u>—</u>	<u>—</u>
<b>Loss for the financial year and total comprehensive income</b>		<b><u>(316,729)</u></b>	<b><u>(100,968)</u></b>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 6 to 9 form part of these financial statements.

# Siteground Hosting Limited.

## Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	6	12,608	—
<b>Current assets</b>			
Debtors	7	210,358	10,764
Cash at bank and in hand		<u>719,085</u>	<u>63,364</u>
		929,443	74,128
<b>Creditors: amounts falling due within one year</b>	8	<u>1,223,117</u>	157,096
<b>Net current liabilities</b>		293,674	82,968
<b>Total assets less current liabilities</b>		(281,066)	(82,968)
<b>Creditors: amounts falling due after more than one year</b>	9	<u>118,631</u>	—
<b>Net liabilities</b>		<u>(399,697)</u>	<u>(82,968)</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Other reserves		17,000	17,000
Profit and loss account		<u>(417,697)</u>	<u>(100,968)</u>
<b>Members deficit</b>		<u>(399,697)</u>	<u>(82,968)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

The notes on pages 6 to 9 form part of these financial statements.

# Siteground Hosting Limited.

## Statement of Financial Position *(continued)*

**31 December 2016**

These financial statements were approved by the board of directors and authorised for issue on ~~17~~  
~~November~~ 2017, and are signed on behalf of the board by:



Irina Takova Zaharieva  
Director

Company registration number: 09348602

The notes on pages 6 to 9 form part of these financial statements.

# Siteground Hosting Limited.

## Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Other reserves £	Profit and loss account £	<b>Total £</b>
<b>At 10 December 2014</b>	–	17,000	–	17,000
Loss for the year	–	–	(100,968)	(100,968)
<b>Total comprehensive income for the year</b>	–	–	(100,968)	(100,968)
Issue of shares	1,000	–	–	1,000
<b>Total investments by and distributions to owners</b>	1,000	–	–	1,000
<b>At 31 December 2015</b>	1,000	17,000	(100,968)	<b>(82,968)</b>
Loss for the year	–	–	(316,729)	<b>(316,729)</b>
<b>Total comprehensive income for the year</b>	–	–	(316,729)	<b>(316,729)</b>
<b>At 31 December 2016</b>	<u>1,000</u>	<u>17,000</u>	<u>(417,697)</u>	<u><b>(399,697)</b></u>

The notes on pages 6 to 9 form part of these financial statements.

# **Siteground Hosting Limited.**

## **Notes to the Financial Statements**

**Year ended 31 December 2016**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 3rd Floor 11-12 St. James's Square, London, SW1Y 4LB, United Kingdom.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 10 December 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax.

Turnover is recognized at the point in time where the Company has a right to receive payments for its services. Service contracts billed in advance are time apportioned to the respective accounting periods.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.



# Siteground Hosting Limited.

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 3. Accounting policies *(continued)*

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website software - Website software

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 1 (2015: 2).

#### 5. Profit before taxation

Loss before taxation is stated after charging:

	Year to 31 Dec 16	Period from 10 Dec 14 to 31 Dec 15
	£	£
Amortisation of intangible assets	<u>2,830</u>	<u>-</u>

# Siteground Hosting Limited.

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 6. Intangible assets

	Website Software £
<b>Cost</b>	
Additions	<u>15,438</u>
<b>At 31 December 2016</b>	<u>15,438</u>
<b>Amortisation</b>	
Charge for the year	<u>2,830</u>
<b>At 31 December 2016</b>	<u>2,830</u>
<b>Carrying amount</b>	
<b>At 31 December 2016</b>	<u>12,608</u>
At 31 December 2015	<u>—</u>

### 7. Debtors

	2016 £	2015 £
Trade debtors	91,735	3,976
Other debtors	<u>118,623</u>	<u>6,788</u>
	<u>210,358</u>	<u>10,764</u>

### 8. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	110,247	23,143
Amounts owed to group undertakings and undertakings in which the company has a participating interest	—	45,025
Social security and other taxes	93,638	14,559
Other creditors	<u>1,019,232</u>	<u>74,369</u>
	<u>1,223,117</u>	<u>157,096</u>

### 9. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>118,631</u>	<u>—</u>

# Siteground Hosting Limited.

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 10. Related party transactions

The directors are of the opinion that the company IT Web Capital Ltd are the controlling party.

IT Web Capital Ltd owns 100% of the issued ordinary share capital of Siteground Hosting Ltd.

During the year, the company had transactions with related parties as explained in the table below:

	Currency	Sales for the year	Receivables as at 31.12.2016
SiteGround Spain S.L	EURO	126,805.19	0
SiteGround Spain S.L	USD	99,250.00	0
SiteGround Hosting Inc.	USD	418,250.00	109,500.00
		<b>Purchases for the year</b>	<b>Payables as at 31.12.2016</b>
SiteGround Hosting Inc.	USD	132,175.00	0

Last year's loan payable to IT Web Capital Limited of €60,000 (GBP 44,227.89) with the interest accrued in 2015 of €1,081 (GBP 796.71) was fully repaid during 2016. The loan had an interest rate of 5% and interest accrued for 2016 was €2,435 (GBP 2,051.02).

#### 11. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 10 December 2014.

No transitional adjustments were required in equity or profit or loss for the period.

**Siteground Hosting Limited.**

**Management Information**

**Year ended 31 December 2016**

**The following pages do not form part of the financial statements.**

# Siteground Hosting Limited.

## Detailed Income Statement

Year ended 31 December 2016

	Year to 31 Dec 16 £	Period from 10 Dec 14 to 31 Dec 15 £
<b>Turnover</b>	<b>1,763,394</b>	<b>17,543</b>
<b>Cost of sales</b>		
Domains	146,562	3,407
Servers	274,333	11,717
Hosting activities	728,985	33,021
Commission	3,739	2,276
	<u>1,153,619</u>	<u>50,421</u>
<b>Gross profit/(loss)</b>	<b>609,775</b>	<b>(32,878)</b>
<b>Overheads</b>		
Distribution costs	789,822	10,740
Administrative expenses	134,631	56,577
	<u>924,453</u>	<u>67,317</u>
<b>Operating loss</b>	<b>(314,678)</b>	<b>(100,195)</b>
Interest payable and similar expenses	(2,051)	(773)
<b>Loss before taxation</b>	<b><u>(316,729)</u></b>	<b><u>(100,968)</u></b>

# Siteground Hosting Limited.

## Notes to the Detailed Income Statement

Year ended 31 December 2016

	Year to 31 Dec 16 £	Period from 10 Dec 14 to 31 Dec 15 £
<b>Distribution costs</b>		
Other distribution costs	14,134	—
Commissions paid	683,285	—
Advertising	92,403	10,740
	<u>789,822</u>	<u>10,740</u>
<b>Administrative expenses</b>		
Wages and salaries	9,523	30,170
Employers national insurance contributions	438	530
Travel and subsistence	—	4,140
Telephone	1,021	—
Office expenses	10,388	1,398
Printing	530	400
Legal and professional fees (allowable)	42,796	14,938
Accountancy fees	1,750	1,750
Amortisation of intangible assets	2,830	—
Bank charges	5,369	586
Foreign currency gains/losses	59,986	2,665
	<u>134,631</u>	<u>56,577</u>
<b>Interest payable and similar expenses</b>		
Other interest payable and similar charges	<u>2,051</u>	<u>773</u>