

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 December 2019
for
Siteground Hosting Ltd.

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for the Year Ended 31 December 2019**

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Siteground Hosting Ltd.

Company Information
for the Year Ended 31 December 2019

DIRECTOR: Ms I Takova Zaharieva

REGISTERED OFFICE: 3rd Floor
11-12 St. James's Square
London
SW1Y 4LB

REGISTERED NUMBER: 09348602 (England and Wales)

AUDITORS: S H LANDES LLP
Statutory Auditors
3rd Floor, Fairgate House
78 New Oxford Street
London
WC1A 1HB

Strategic Report
for the Year Ended 31 December 2019

The Director presents a strategic report for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of web hosting services. The company offers a variety of web hosting services including shared hosting, cloud hosting, hosting on dedicated servers, reseller hosting, enterprise hosting solutions, reselling of domain names and a high number of extra services and tools.

REVIEW OF BUSINESS

The profit for the year 2019 after taxation, is £859,632 (2018: £568,604). The Director makes no recommendation for dividend distribution as of the date of this report.

Turnover and other operating income follow the continuing upward trend and in 2019 it has increased by 52% to £21,239,485 in 2019 (2018: £13,989,429). This is due to the growing number of customers and to renewals of existing customers, which is a result of the successful marketing and advertising strategy and also attests to the quality of the services provided and satisfaction of the customers.

Following the significant increase in turnover, both operating profit and profit after tax has increased by 51% to £1,061,974 in 2019 (2018: £702,798) for operating profit and to £859,632 in 2019 (2018: £568,604) for profit after tax.

Shareholder's equity increased by 89% to £1,826,919 (2018: £967,287) due to retained earnings and in particular - due to the current year profits.

The company's 'current ratio' (current assets to current liabilities) in 2019 is 127.4% (2018: 121.6%). It is steady with a slight increase by 5.8%, which comes as a result of the increasing cash and cash equivalents.

Strategic Report
for the Year Ended 31 December 2019

PRINCIPAL RISKS AND UNCERTAINTIES

Risks are those business factors that may expose a company to the possibility of loss or damage. The Company is affected by number of risks and uncertainties, not all of which are wholly within its control. Although many of the risks and uncertainties are macro-economic and are likely to affect the performance of the business generally, others are specific to the Company's operations.

Since SiteGround Hosting Ltd is part of an international Group, its major risks are also inherent to the Group and are being managed on group level. In general, the Group and the risk management approach aims to actively monitor the internal and external threats and to regularly identify the different forms of risk encountered during the pursuit of business activity, and to assess them according to both potential damage and probability of occurrence, as well as to implement corrective action plans to prevent and control those risks.

External Risks/Macro-economic

External risks refer to those risks that the market players are not able to influence, or only to a very limited extent. These mainly entail the general state of economy with direct influence on the web hosting industry. Web hosting providers depend to a large extent on the overall state of the economy, especially in the markets where their clients are located.

Business and market risks

The primary business-related risk is the risk of customer changing the service provider if not satisfied with the quality. To serve our customers best the Group provides 24/7/365 customer support.

Another risk related to the market is the risk of implementing not appropriate marketing strategy and activities so that they cannot reach the target audience. SiteGround Hosting Ltd has diversified its product portfolio to offer different and flexible hosting services to ensure that we meet customers' changing needs. At Group level we constantly explore market and customer trends and expand our product portfolio.

Operational risk - Supply (digital) and servicing risks

The web hosting industry involves digitalized operations, network and information systems which in turn is related to the risks involving system failures, cyber - attacks, downtime as well as the risk of disruptions in delivery and poor quality of the connections ensured by Internet suppliers. The Company bears the risk of information systems non-performance. A technical infrastructure that may not meet the current needs of the market or the security requirements could inhibit a web hosting company from achieving its business goals. These risks are managed at Group level by employing people who have the necessary skills and knowledge and providing regular trainings to them as well as implementing internal control system and performance management system, including such as: making of regular backups, updating the level of protection and ensuring restricted access, multiple tests on pilot versions, etc.

Financial risks - Currency risks

Potential exposures to foreign currency exchange rate movements in all currencies in which the company trades are monitored on a daily basis by the finance department and appropriate action taken to manage net open foreign currency positions. The company does not trade in currency derivatives.

Financial risks - Liquidity risks

Liquidity risk refers to the risk that the company may be unable to fund its on-going cash requirements. The company retains sufficient cash and cash equivalents to ensure it has adequate funds available for operations.

FUTURE DEVELOPMENTS

The director expects the general level of activity to increase in the forthcoming year as a result of the improving quality of the products and services.

Strategic Report
for the Year Ended 31 December 2019

EVENTS AFTER THE BALANCE SHEET DATE

The start of the COVID-19 health crisis in March 2020 is expected to have significant economic impact in UK and internationally. The Company has implemented organizational measures for crisis management that guarantee business continuity. Due to the significant uncertainty in the evolution of the crisis, the Company is not able to assess the economic effect of the crisis on the Company's operations.

There have been no other significant events, which have taken place since the balance sheet date.

ON BEHALF OF THE BOARD:

Ms I Takova Zaharieva - Director

2 June 2020

Report of the Director
for the Year Ended 31 December 2019

The director presents her report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of web hosting services.

DIVIDENDS

No dividends were distributed during the period from 1 January 2019 to the date of this report.

DIRECTOR

Ms I Takova Zaharieva held office during the whole of the period from 1 January 2019 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, S H LANDES LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Ms I Takova Zaharieva - Director

2 June 2020

Report of the Independent Auditors to the Members of Siteground Hosting Ltd.

Opinion

We have audited the financial statements of Siteground Hosting Ltd. (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 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 Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Siteground Hosting Ltd.

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 Strategic Report or the Report of the Director.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Filip Lyapov (Senior Statutory Auditor)
for and on behalf of S H LANDES LLP
Statutory Auditors
3rd Floor, Fairgate House
78 New Oxford Street
London
WC1A 1HB

2 June 2020

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		20,360,934	12,791,323
Cost of sales		<u>(4,581,467)</u>	<u>(3,401,373)</u>
GROSS PROFIT		15,779,467	9,389,950
Other operating expenses		(391,346)	(63,782)
Administrative expenses		<u>(15,204,698)</u>	<u>(9,821,476)</u>
		183,423	(495,308)
Other operating income		<u>878,551</u>	<u>1,198,106</u>
OPERATING PROFIT	4	1,061,974	702,798
Interest receivable and similar income		<u>25</u>	<u>24</u>
PROFIT BEFORE TAXATION		1,061,999	702,822
Tax on profit	6	<u>(202,367)</u>	<u>(134,218)</u>
PROFIT FOR THE FINANCIAL YEAR		859,632	568,604
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>859,632</u>	<u>568,604</u>

Siteground Hosting Ltd. (Registered number: 09348602)**Balance Sheet**
31 December 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Intangible assets	7	3,345	6,433
CURRENT ASSETS			
Debtors	8	1,350,415	1,594,308
Cash at bank	9	<u>15,669,173</u>	<u>10,003,449</u>
		17,019,588	11,597,757
CREDITORS			
Amounts falling due within one year	10	<u>(13,364,225)</u>	<u>(9,537,438)</u>
NET CURRENT ASSETS		<u>3,655,363</u>	<u>2,060,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,658,708	2,066,752
CREDITORS			
Amounts falling due after more than one year	11	<u>(1,831,789)</u>	<u>(1,099,465)</u>
NET ASSETS		<u>1,826,919</u>	<u>967,287</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Other reserves	14	17,000	17,000
Retained earnings	14	<u>1,808,919</u>	<u>949,287</u>
SHAREHOLDERS' FUNDS		<u>1,826,919</u>	<u>967,287</u>

The financial statements were approved by the director and authorised for issue on 2 June 2020 and were signed by:

Ms I Takova Zaharieva - Director

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2018	1,000	380,683	17,000	398,683
Changes in equity				
Total comprehensive income	-	568,604	-	568,604
Balance at 31 December 2018	1,000	949,287	17,000	967,287
Changes in equity				
Total comprehensive income	-	859,632	-	859,632
Balance at 31 December 2019	1,000	1,808,919	17,000	1,826,919

Cash Flow Statement
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	5,822,023	6,270,186
Tax paid		<u>(156,324)</u>	<u>(133,951)</u>
Net cash from operating activities		<u>5,665,699</u>	<u>6,136,235</u>
Cash flows from investing activities			
Interest received		<u>25</u>	<u>24</u>
Net cash from investing activities		<u>25</u>	<u>24</u>
Increase in cash and cash equivalents		<u>5,665,724</u>	<u>6,136,259</u>
Cash and cash equivalents at beginning of year	2	10,003,449	3,867,190
Cash and cash equivalents at end of year	2	<u><u>15,669,173</u></u>	<u><u>10,003,449</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.19	31.12.18
	£	£
Profit before taxation	1,061,999	702,822
Amortisation charges	3,088	3,087
Finance income	(25)	(24)
	<u>1,065,062</u>	<u>705,885</u>
Decrease in trade and other debtors	243,893	25,943
Increase in trade and other creditors	<u>4,513,068</u>	<u>5,538,358</u>
Cash generated from operations	<u><u>5,822,023</u></u>	<u><u>6,270,186</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>15,669,173</u>	<u>10,003,449</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>10,003,449</u>	<u>3,867,190</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank	<u>10,003,449</u>	<u>5,665,724</u>	<u>15,669,173</u>
	<u>10,003,449</u>	<u>5,665,724</u>	<u>15,669,173</u>
Total	<u><u>10,003,449</u></u>	<u><u>5,665,724</u></u>	<u><u>15,669,173</u></u>

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements have been prepared in £ Sterling and this is also considered by the director to be the company's functional currency. The rounding in the financial statements is to the nearest pound.

Turnover

The company offers a variety of web hosting services including shared hosting, cloud hosting, hosting on dedicated servers, reseller hosting, enterprise hosting solutions, reselling of domain names and a high number of extra services and tools.

The company commences revenue recognition when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Turnover is recognised at the point in time where the company has a right to receive payment for its services. Customers are billed, generally in advance, based on their selected contract term. Service contracts are time apportioned to the respective accounting periods. Cash received in advance is recorded as deferred revenue.

Turnover is measured net of discounts and Value Added Tax.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised at 20% per annum.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents

Cash equivalents are amounts of cash held by the payment processors, that the company uses for cash collection, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. They normally qualify as a cash equivalent only if the maturity is three months or less from the date of collection.

Foreign currencies

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

Classification of expenses

Costs of sales are direct costs which the Company incurs related to the services provided to customers. Costs of sales are in connection to use of server functionality, domain names and licensing fees paid for third-party productivity applications.

Marketing and advertising expenses represent the costs for attracting and acquiring customers, primarily consisting of expenses for affiliate program commissions. These expenses also include fees paid for marketing and advertising campaigns, online display, social media and event sponsorships.

Administrative and other operating expenses primarily consist of management charges for intercompany services, payment processing fees, personnel costs for administrative functions, professional service fees and other general costs.

Going concern

After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The director therefore continues to adopt the going concern basis in preparing the financial statements.

Provisions for affiliate commissions

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation as well as a reliable estimate can be made of the amount of the obligation.

3. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	12,000	12,000
Social security costs	473	503
	<u>12,473</u>	<u>12,503</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31.12.19	31.12.18
	<u>1</u>	<u>1</u>
	31.12.19	31.12.18
	£	£
Director's remuneration	<u>12,000</u>	<u>12,000</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Computer software amortisation	3,088	3,087
Outsourcing services	<u>11,489,606</u>	<u>6,425,641</u>

5. AUDITORS' REMUNERATION

	31.12.19	31.12.18
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>9,500</u>	<u>9,500</u>

6. TAXATION

Analysis of the tax charge

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

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	<u>202,367</u>	<u>134,218</u>
Tax on profit	<u>202,367</u>	<u>134,218</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.19 £	31.12.18 £
Profit before tax	<u>1,061,999</u>	<u>702,822</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	201,780	133,536
Effects of:		
Expenses not deductible for tax purposes	-	95
Depreciation in excess of capital allowances	<u>587</u>	<u>587</u>
Total tax charge	<u>202,367</u>	<u>134,218</u>

7. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2019 and 31 December 2019	<u>15,438</u>
AMORTISATION	
At 1 January 2019	9,005
Amortisation for year	<u>3,088</u>
At 31 December 2019	<u>12,093</u>
NET BOOK VALUE	
At 31 December 2019	<u>3,345</u>
At 31 December 2018	<u>6,433</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Amounts falling due within one year:		
Trade debtors	46,625	17,403
Amounts owed by group undertakings	882,253	1,212,395
Prepayments	<u>421,537</u>	<u>364,510</u>
	<u>1,350,415</u>	<u>1,594,308</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019****9. CASH AT BANK**

	£	£	31.12.19	31.12.18
Cash and cash equivalents in AUD			2,569,832	225,646
Cash and cash equivalents in EUR			2,356,348	888,150
Cash and cash equivalents in GBP			4,470,318	6,575,079
Cash and cash equivalents in USD			6,272,675	2,314,574
			<u>15,669,173</u>	<u>10,003,449</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£	31.12.19	31.12.18
Payments on account			7,431	7,633
Trade creditors			132,620	4,374
Amounts owed to group undertakings			3,415,502	2,967,272
Taxation and social security			660,964	529,128
Deferred income			8,549,649	5,591,205
Accruals			96,226	82,759
Provisions for affiliates (Note 12)			501,833	355,067
			<u>13,364,225</u>	<u>9,537,438</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£	£	31.12.19	31.12.18
Deferred income			<u>1,831,789</u>	<u>1,099,465</u>

12. PROVISIONS FOR LIABILITIES

	Other provisions £
Balance at 1 January 2019	355,067
Provided during year	501,833
Utilised during year	<u>(355,067)</u>
Balance at 31 December 2019	<u>501,833</u>

Due to uncertainty in the timing and amount of payments regarding affiliate commissions and in order to present fairly the financial performance of Siteground Hosting Ltd, a year end review has been made, based on which provisions for affiliate commissions have been calculated. The amounts shown are expected to be utilised in 2020.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

14. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 January 2019	949,287	17,000	966,287
Profit for the year	<u>859,632</u>		<u>859,632</u>
At 31 December 2019	<u>1,808,919</u>	<u>17,000</u>	<u>1,825,919</u>

15. RELATED PARTY DISCLOSURES

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

The company is part of a group where the parent company, IT Web Capital Ltd with registered office 3rd Floor 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB, prepares the consolidated financial statements.

16. ULTIMATE CONTROLLING PARTY

The parent company is IT Web Capital Ltd and the ultimate controlling party is Ivo Tzenov.

17. RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

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