

**Strategic Report, Report of the Director and**  
**Financial Statements for the Year Ended 31 December 2022**  
**for**  
**Siteground Hosting Ltd.**

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for the Year Ended 31 December 2022**

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**Siteground Hosting Ltd.**

**Company Information**  
**for the Year Ended 31 December 2022**

**DIRECTOR:** Ms I Takova Zaharieva

**REGISTERED OFFICE:** 7th Floor  
50 Broadway  
London  
SW1H 0DB

**REGISTERED NUMBER:** 09348602 (England and Wales)

**AUDITORS:** Zenith Audit Ltd  
Statutory Auditors  
First floor  
18 Devonshire Row  
London  
EC2M 4RH

**Strategic Report**  
**for the Year Ended 31 December 2022**

The Director presents their strategic report for the year ended 31 December 2022.

**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, 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 2022 after taxation, is £3,082,193 (2021: £1,572,978). 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 2022 it has increased by 8.0% to £40,058,105 (2021: £37,077,697). 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, the operating profit of the company grew by 7.5% to £1,992,224 (2021: £1,853,885), while the profit after tax increased by 95.9% to £3,082,193 (2021: £1,572,978).

Shareholder's equity increased by 95.9% to £3,083,193 (2021: £1,573,978) due to retained earnings and in particular - due to the current year profits.

The company's 'current ratio' (current assets to current liabilities) in 2022 is 39.5% (2021: 54.5)\*. The decline is a result of the decrease in cash and cash equivalents due to the dividend distribution and loans provided in 2022.

\*The calculation of the current ratio excludes Debtors amounts falling due after more than one year, as detailed in Note 9.

**Strategic Report**  
**for the Year Ended 31 December 2022**

**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 a 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 aim 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, such as: performing regular backups, updating the level of protection and ensuring restricted access, performing 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 is 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 improving the quality of the products and services.

**EVENTS AFTER THE BALANCE SHEET DATE**

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

**ON BEHALF OF THE BOARD:**

Ms I Takova Zaharieva - Director

11 April 2023

**Report of the Director**  
**for the Year Ended 31 December 2022**

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

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

In 2022, a final dividend of £1,572,978 was paid to the shareholder of Siteground Hosting Ltd.

**DIRECTOR**

Ms I Takova Zaharieva held office during the whole of the period from 1 January 2022 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, Zenith Audit Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Ms I Takova Zaharieva - Director

11 April 2023

## **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 2022 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The director is responsible for the other information. The other information comprises the information in the 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 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 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.

### **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.

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

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page four, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We performed risk assessment procedures and obtained an understanding of the Company and its environment, the applicable financial reporting framework, the applicable laws and regulations, the Company's system of internal control and the fraud risk factors relevant to the Company that affect the susceptibility of assertions to material misstatement due to fraud. We made enquiries with management regarding actual or suspected fraud, non-compliance with laws and regulations, potential litigation and claims. The engagement partner led a discussion among the audit team with particular emphasis on how and where the Company's financial statements may be susceptible to material misstatement due to fraud, including how fraud might occur. The engagement partner assessed that the engagement team collectively had the appropriate competence and capability to identify or recognise non-compliance with laws and regulations.

We considered compliance with UK Companies Act 2006 and the applicable tax legislation as the key laws and regulations which non-compliance could directly lead to material misstatement due to fraud at the financial statement level. We evaluated whether the selection and application of accounting policies by the Company may be indicative of fraudulent financial reporting. Our audit procedures responsive to assessed risks of material misstatement due to fraud at the assertion level included but were not limited to:

- Testing the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Making inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries;
- Selecting and testing journal entries and other adjustments made at the end of a reporting period and throughout the period;
- Reviewing accounting estimates for biases that could represent a risk of material misstatement due to fraud;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements due to irregularities, including fraud, may not be detected, even though we have properly planned and performed our audit in accordance with the auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, override of internal controls, or collusion.

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



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

**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 Zenith Audit Ltd  
Statutory Auditors  
First floor  
18 Devonshire Row  
London  
EC2M 4RH

12 April 2023

**Statement of Comprehensive Income**  
**for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>TURNOVER</b>		39,294,724	36,486,928
Cost of sales		(6,940,581)	(6,899,797)
<b>GROSS PROFIT</b>		32,354,143	29,587,131
Other operating expenses		-	(116,368)
Administrative expenses		(31,125,300)	(28,207,647)
		1,228,843	1,263,116
Other operating income		763,381	590,769
<b>OPERATING PROFIT</b>	4	1,992,224	1,853,885
Interest receivable and similar income	6	1,817,102	91,912
<b>PROFIT BEFORE TAXATION</b>		3,809,326	1,945,797
Tax on profit	7	(727,133)	(372,819)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,082,193	1,572,978
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		3,082,193	1,572,978

**Balance Sheet**  
**31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>CURRENT ASSETS</b>			
Debtors	10	16,844,758	12,493,482
Cash at bank	11	<u>6,533,915</u>	<u>8,932,064</u>
		23,378,673	21,425,546
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(17,943,263)</u>	<u>(17,566,306)</u>
<b>NET CURRENT ASSETS</b>		<u>5,435,410</u>	<u>3,859,240</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,435,410	3,859,240
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>(2,352,217)</u>	<u>(2,285,262)</u>
<b>NET ASSETS</b>		<u>3,083,193</u>	<u>1,573,978</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,000	1,000
Retained earnings	16	<u>3,082,193</u>	<u>1,572,978</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>3,083,193</u>	<u>1,573,978</u>

The financial statements were approved by the director and authorised for issue on 11 April 2023 and were signed by:

Ms I Takova Zaharieva - Director

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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	1,000	3,011,104	3,012,104
<b>Changes in equity</b>			
Dividends	-	(3,011,104)	(3,011,104)
Total comprehensive income	-	1,572,978	1,572,978
<b>Balance at 31 December 2021</b>	1,000	1,572,978	1,573,978
<b>Changes in equity</b>			
Dividends	-	(1,572,978)	(1,572,978)
Total comprehensive income	-	3,082,193	3,082,193
<b>Balance at 31 December 2022</b>	1,000	3,082,193	3,083,193

**Cash Flow Statement**  
**for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,297,431	3,288,790
Tax paid		(426,232)	(322,894)
Net cash from operating activities		<u>1,871,199</u>	<u>2,965,896</u>
<b>Cash flows from investing activities</b>			
Loans granted to related parties		(16,036,372)	(11,854,486)
Loans repaid by related parties		13,021,062	-
Interest received		318,940	-
Net cash from investing activities		<u>(2,696,370)</u>	<u>(11,854,486)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(1,572,978)	(3,011,104)
Net cash from financing activities		<u>(1,572,978)</u>	<u>(3,011,104)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(2,398,149)</u>	<u>(11,899,694)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	8,932,064	20,831,758
<b>Cash and cash equivalents at end of year</b>	2	<u><u>6,533,915</u></u>	<u><u>8,932,064</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 December 2022**

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

	31.12.22	31.12.21
	£	£
Profit before taxation	3,809,326	1,945,797
Amortisation charges	-	257
Finance income	(1,817,102)	(91,912)
	<u>1,992,224</u>	<u>1,854,142</u>
Decrease in trade and other debtors	162,195	555,454
Increase in trade and other creditors	<u>143,012</u>	<u>879,194</u>
<b>Cash generated from operations</b>	<u><u>2,297,431</u></u>	<u><u>3,288,790</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 2022**

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>6,533,915</u>	<u>8,932,064</u>

**Year ended 31 December 2021**

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>8,932,064</u>	<u>20,831,758</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>8,932,064</u>	<u>(2,398,149)</u>	<u>6,533,915</u>
	<u>8,932,064</u>	<u>(2,398,149)</u>	<u>6,533,915</u>
<b>Total</b>	<u><u>8,932,064</u></u>	<u><u>(2,398,149)</u></u>	<u><u>6,533,915</u></u>

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

**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, 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, Value Added Tax and Goods and Services 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. As of 31.12.2022 it is fully amortised.

**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.

**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.

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

**2. ACCOUNTING POLICIES - continued**

**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 on trading activities are taken into account in arriving at the operating result. Exchange differences on financial activities are presented in interest receivable and similar income.

**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.

**Critical accounting judgement and key sources of estimation uncertainty**

In preparing these financial statements, the Director has made the following judgements:

**Provisions**

Due to uncertainty in the timing of payments regarding affiliate commissions and in order to present fairly the financial performance of the company, a year-end review has been made, based on which provisions for affiliate commissions have been calculated.

The director has assessed the potential impact of uncertainty on the company's ability to continue as a going concern. This assessment considers the risks and uncertainties associated with the economic environment, market conditions, regulatory changes, and other external factors that could affect the company's financial position and performance. Based on this assessment, the director has concluded that there is sufficient evidence to support the going concern assumption for the next 12 months.

The Director is of the opinion that there are no other critical judgments or significant estimates that would have a significant effect on the amounts recognised in 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.

**Trade and other debtors, including loans receivable**

Trade and other debtors, including loans receivable, are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the debtors are stated at cost less impairment losses for bad and doubtful debts.

**Trade and other creditors**

Trade and other creditors are initially recognised at the transaction price thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.



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

**3. EMPLOYEES AND DIRECTORS**

	31.12.22	31.12.21
	£	£
Wages and salaries	12,000	12,000
Social security costs	431	134
	<u>12,431</u>	<u>12,134</u>

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

	31.12.22	31.12.21
	£	£
Director's remuneration	<u>12,000</u>	<u>12,000</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.22	31.12.21
	£	£
Computer software amortisation	-	257
Outsourcing services	<u>28,271,103</u>	<u>25,871,510</u>

**5. AUDITORS' REMUNERATION**

	31.12.22	31.12.21
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>14,500</u>	<u>12,500</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

Interest Receivable and Similar Income is comprised of the following items:

	2022	2021
	£	£
Deposit account interest	27,659	-
Interest receivable	352,565	91,912
Exchange gains on financial instruments	1,436,878	-
	<u>1,817,102</u>	<u>91,912</u>

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

**7. TAXATION**

**Analysis of the tax charge**

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

	31.12.22 £	31.12.21 £
Current tax:		
UK corporation tax	718,770	372,819
Withholding tax on foreign loan interest	<u>8,363</u>	<u>-</u>
Tax on profit	<u>727,133</u>	<u>372,819</u>

UK corporation tax was charged at 19% in 2021.

**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:

	31.12.22 £	31.12.21 £
Profit before tax	<u>3,809,326</u>	<u>1,945,797</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	723,772	369,701
Effects of:		
Expenses not deductible for tax purposes	3,361	3,069
Amortisation in excess of capital allowances	<u>-</u>	<u>49</u>
Total tax charge	<u>727,133</u>	<u>372,819</u>

**8. DIVIDENDS**

	31.12.22 £	31.12.21 £
Ordinary shares of 1 each		
Final	<u>1,572,978</u>	<u>3,011,104</u>

**9. INTANGIBLE FIXED ASSETS**

	Computer software £
<b>COST</b>	
At 1 January 2022 and 31 December 2022	<u>15,438</u>
<b>AMORTISATION</b>	
At 1 January 2022 and 31 December 2022	<u>15,438</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

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

**10. DEBTORS**

	31.12.22	31.12.21
£		
<b>Amounts falling due within one year:</b>		
Trade debtors	26,250	47,526
Amounts owed by group undertakings	-	138,143
Prepayments	223,525	166,126
Deferred expense	-	197,826
Accrued income	138,652	1,001
Interest receivable from group undertakings	10,241	88,374
Interest receivable from related parties	158,906	-
	<u>557,574</u>	<u>638,996</u>
<b>Amounts falling due after more than one year:</b>		
Loans receivable from group undertakings	8,306,338	11,854,486
Loans receivable from related parties	7,980,846	-
	<u>16,844,758</u>	<u>12,493,482</u>

The loans carry interest rates ranging between 4.50 % - 5.00% and their maturity is 5 years. There is no collateral on the loans.

**11. CASH AT BANK**

	31.12.22	31.12.21
£		
Cash and cash equivalents in AUD	1,016,834	530,010
Cash and cash equivalents in EUR	501,596	1,222,989
Cash and cash equivalents in GBP	3,483,672	4,178,649
Cash and cash equivalents in USD	1,531,813	3,000,416
	<u>6,533,915</u>	<u>8,932,064</u>

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

	31.12.22	31.12.21
£		
Payments on account	5,612	6,497
Trade creditors	279,161	362,354
Amounts owed to group undertakings	1,396,577	2,639,375
Taxation and social security	1,174,624	1,030,135
Deferred income	14,336,538	12,860,028
Accruals	611,877	370,808
Provisions for affiliates (Note 13)	138,874	167,015
Deferred discount	-	130,094
	<u>17,943,263</u>	<u>17,566,306</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.22	31.12.21
£		
Deferred income	2,352,217	2,101,600
Deferred discount	-	183,662
	<u>2,352,217</u>	<u>2,285,262</u>

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

**14. PROVISIONS FOR LIABILITIES**

	Other provisions £
Balance at 1 January 2022	167,015
Provided during year	138,874
Utilised during year	(167,015)
Balance at 31 December 2022	<u>138,874</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 2023.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.12.22 £	31.12.21 £
Number:	Class:			
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

**16. RESERVES**

	Retained earnings £	Totals £
At 1 January 2022	1,572,978	1,572,978
Profit for the year	3,082,193	3,082,193
Dividend distribution	(1,572,978)	(1,572,978)
At 31 December 2022	<u>3,082,193</u>	<u>3,082,193</u>

**17. RELATED PARTY DISCLOSURES**

The company has taken advantage of the 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, SiteGround Capital Ltd with registered office at Griva Digeni 34, Flat/Office 4, 1066 Nicosia, Cyprus, prepares the consolidated financial statements.

**18. ULTIMATE CONTROLLING PARTY**

The parent company is SiteGround Capital Ltd and the ultimate controlling party is Mr. Ivo Tzenov.

**19. AUDITOR LIABILITY LIMITATION AGREEMENT**

An auditors' limitation of liability agreement has been approved by the members for the financial year ended 31 December 2022. The principal terms and conditions are as below:

- The agreement limits the amount of any liability owed to the Company by the auditors in respect of any negligence default, breach of duty or breach of trust, occurring in the course of audit of the Company's accounts and pursuant to this agreement the auditor may be guilty in relation to the Company.
- The agreement also stipulates the maximum aggregated amount payable in event of any of the circumstances stated above.

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