

ANNUAL REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

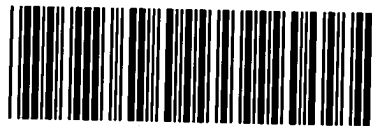
FOR THE YEAR ENDED 30 JUNE 2023

FOR

CULTURE AMP LIMITED

REGISTERED NO: 10067991

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Culture Amp Limited (Registered number: 10067991)
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For the year ended 30 June 2023

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Culture Amp Limited (Registered number: 10067991)
Company information
For the year ended 30 June 2023

Directors:

D English
D R Elzinga

Registered office:

2 Leonard Circus Third Floor
62 Paul Street
London
EC2A 4NA

Registered number:

10067991 (England and Wales)

Auditor:

Ernst Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

Culture Amp Limited (Registered number: 10067991)
Strategic report
For the year ended 30 June 2023

The Directors of Culture Amp Limited ("the company") present their annual report, containing a Strategic report, Directors' report and the financial statements for the year ended 30 June 2023.

Principal activities and review of the business

The principal activity of the company during the year was providing a software as a service (SaaS) based survey platform for people engagement, performance and development. There was no significant change to the nature of this activity during the year.

The key performance indicators are as follows:

	Year ended 30 June 2023 £	Year ended 30 June 2022 As restated £
Turnover	24,692,051	16,851,710
Operating profit / (loss) on ordinary activities before taxation	9,126,450	(3,676,910)
Net liabilities	(5,071,904)	(14,198,354)
Average number of employees (#)	95	83

Revenue for the year increased by 47% on the previous year due a combination of organic and new customer growth, whilst expenses decreased by 24%. The main reason for the reduction in operating expenses is due to the change in transfer pricing arrangements within the Culture Amp Pty Limited group whereby the company will make a targeted operating profit (subject to exclusion of certain items). The new transfer pricing arrangements as implemented are effective from 1 July 2021 with transitional adjustments relating to 2021 and 2020. Net liabilities have decreased due to the profit in the year. Headcount has grown alongside the growth in turnover.

Principal risks and uncertainties

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The company manages its credit risk by billing in advance for the year of service.

Foreign exchange risk

Foreign exchange risk arises when there is volatility in exchange rates which can have a negative impact on the company's results. The company trades in similar currencies to its investments in assets, creating natural hedging to mitigate exposure.

Liquidity risk

Liquidity risk relates to the company's ability to settle its debts as they fall due. The company's debt is mainly inter-company related. The company has received a letter of support from its parent company, Culture Amp Pty Ltd, for the period to 31 December 2024.

Russia / Ukraine conflict

On 24 February 2022, a conflict between Russia and Ukraine initiated which has had a widespread impact on the Global economy. The company does not have any operations, legal entities employees or financial assets in any of the affected countries. Management continues to monitor for any direct impact and indirect impact of the ongoing conflict. The company is currently not impacted by any of the sanctions imposed by the UK or other countries.

On behalf of the Board
 DocuSigned by:

Didier Elzinga

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D R Elzinga

Director

Date: 13 December 2023

Culture Amp Limited (Registered number: 10067991)
Report of the Directors
For the year ended 30 June 2023

Incorporation

The company was incorporated on 17 March 2016.

Directors

The Directors who have held office during the period from 1 July 2022 to the date of this report are as follows:

D R Elzinga
D English

Both the Directors who are eligible offer themselves for election at the forthcoming General Meeting.

Results and dividends

The profit for the year was £ 9,126,450 (2022: loss of £3,676,910). No dividends were declared or paid during the year (2022: nil).

Future Developments

The company anticipates further growth in revenue in the coming year.

Going concern

At 30 June 2023 the company had net current liabilities of £5,191,319 and total net liabilities of £5,071,904. The company relies on the financial support provided by the parent company, which has provided a formal letter of support confirming that it will continue to financially support the company for the period to 31 December 2024. The Directors have prepared a cash flow forecast for the period to 31 December 2024 (being the going concern review period) which indicates, along with the finance support provided by the Company's parent undertaking, that the Company will have sufficient funds to meet its liabilities as they fall due for that period. The Directors have made enquiries of its parent as to its ability to provide the support. Based on these enquiries, the Directors have prepared the financial statements on a going concern basis.

Indemnification of officers

The company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the Directors' report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Report of Directors 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement as to disclosure of information to auditor

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

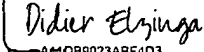
Culture Amp Limited (Registered number: 10067991)
Report of the Directors
For the year ended 30 June 2023

Auditor

The auditor, Ernst & Young LLP, is deemed to be re-appointed at the next General Meeting.

On behalf of the Board

DocuSigned by:



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Didier Elzinga

Director

Date: 13 December 2023

Culture Amp Limited (Registered number: 10067991)
Report of the independent auditor
For the year ended 30 June 2023

Opinion

We have audited the financial statements of Culture Amp Limited for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15, 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 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 company's affairs as at 30 June 2023 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 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 the period to 31 December 2024.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 there is 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 the 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has 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 Directors' report.

Culture Amp Limited (Registered number: 10067991)
Report of the independent auditor
For the year ended 30 June 2023

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

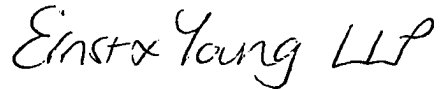
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework FRS 102, the Companies Act 2006 and UK tax legislation.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in those areas. We corroborated our enquiries through review of board minutes, review of correspondence with relevant authorities, as well as consideration of the results of our audit procedures across the company to either corroborate our findings or provide contrary evidence which was followed up.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas (through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts of fraud), understanding where these risks could present themselves and subsequently identifying the process level controls in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the company, we have gained a detailed understanding of the overall susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included: detailed journal entry testing, with a focus on manual journals for identified fraud risks, corroborating balances where necessary to underlying supporting documentation. We also challenged assumptions and judgements made by management by reviewing third party evidence wherever possible and, leveraged our data analytics platform in performing our work on revenue recognition to assist in identifying higher risk transactions for testing. The results of these procedures did not identify any such instances of irregularities, including fraud.

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.

Culture Amp Limited (Registered number: 10067991)
Report of the independent auditor
For the year ended 30 June 2023

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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Rachel Wilden (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge

13 December 2023

Culture Amp Limited (Registered number: 10067991)
Statement of comprehensive income
For the year ended 30 June 2023

	Notes	Year ended 30 June 2023 £	Year ended 30 June 2022 As restated £
Turnover	4	24,692,051	16,851,710
Operating expenses (net)		<u>(15,565,601)</u>	<u>(20,528,620)</u>
Operating profit / (loss) on ordinary activities before taxation	5	9,126,450	(3,676,910)
Tax on profit / (loss)	6	<u>-</u>	<u>-</u>
Profit / (loss) on ordinary activities after taxation		<u>9,126,450</u>	<u>(3,676,910)</u>
Other comprehensive income		-	-
Total other comprehensive profit / (loss)		<u>9,126,450</u>	<u>(3,676,910)</u>

The notes on pages 11 to 18 form part of these financial statements.

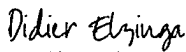
All activities related to continuing operations.

Culture Amp Limited (Registered number: 10067991)
Balance sheet
For the year ended 30 June 2023

	Notes	As at 30 June 2023		As at 30 June 2022	
		£	£	£	£
Fixed assets					
Tangible assets	7		119,415		63,919
Current assets					
Debtors	8	9,087,009		5,482,093	
Cash at bank and in hand		5,231,308		17,853,167	
		<u>14,318,317</u>		<u>23,335,260</u>	
Current liabilities					
Creditors: amounts falling due within one year	9	<u>(19,509,636)</u>		<u>(37,597,533)</u>	
Net current liabilities			<u>(5,191,319)</u>		<u>(14,262,273)</u>
Total assets less current liabilities / net liabilities			<u>(5,071,904)</u>		<u>(14,198,354)</u>
Capital and reserves					
Called up share capital (# of allotted shares: 100)			100		100
Other reserves			-		-
Profit and loss account			<u>(5,072,004)</u>		<u>(14,198,454)</u>
Shareholders' deficit			<u>(5,071,904)</u>		<u>(14,198,354)</u>

The notes on pages 11 to 18 form part of these financial statements.

The financial statements were approved by the Board of Directors on 13 December 2023 and were signed on its behalf by:

DocuSigned by:

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 D R Elzinga - Director

Culture Amp Limited (Registered number: 10067991)
Statement of changes in equity
For the year ended 30 June 2023

	Share capital £	Retained earnings £	Other reserves £	Total £
Balance at 30 June 2021	100	(10,521,544)	-	(10,521,444)
Loss after tax for the year	-	(3,676,910)	-	(3,676,910)
Share based payments	-	-	121,268	121,268
Amounts owed to parent undertaking	-	-	(121,268)	(121,268)
Balance at 30 June 2022	100	(14,198,454)	-	(14,198,354)
Profit after tax for the year	-	9,126,450	-	9,126,450
Share based payments	-	-	160,069	160,069
Amounts owed to parent undertaking	-	-	(160,069)	(160,069)
Balance at 30 June 2023	100	(5,072,004)	-	(5,071,904)

Retained earnings represent accumulated profits and losses.

Other reserves comprise of accounting charges and credits relating to share-based payments.

The notes on pages 11 to 18 form part of these financial statements.

Culture Amp Limited (Registered number: 10067991)
Notes to the financial statements
For the year ended 30 June 2023

1. Statutory information

Culture Amp Limited 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 the 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 are presented in Sterling which is also the company's functional currency. No level of rounding has been applied to the financial statements.

The company have taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 Basic Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- The requirements of Section 12 Other Financial Instruments Issues paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.
- The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.
- The requirements of Section 33 Related Party Disclosures paragraph 33.7 disclosure of key management personnel compensation.

Going concern

At 30 June 2023 the company had net current liabilities of £5,191,319 and total net liabilities of £5,071,904. The company relies on the financial support provided by the parent company; which has provided a formal letter of support confirming that it will continue to financially support the company for the period to 31 December 2024. The Directors have prepared a cash flow forecast for the period to 31 December 2024 (being the going concern review period) which indicates, along with the finance support provided by the Company's parent undertaking, that the Company will have sufficient funds to meet its liabilities as they fall due for that period. The Directors have made enquiries of its parent as to its ability to provide the support. Based on these enquiries, the Directors have prepared the financial statements on a going concern basis.

Prior year restatement

In the prior year £1,669,540 of management recharges were classified as turnover rather than offset against the management charges (included within operating expenses) as part of the group transfer pricing arrangements. Therefore, turnover and operating expenses have been restated accordingly. This restatement has not impacted net liabilities at 30 June 2022 or the loss for the year then ended.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The company derives its revenues predominantly through the sale of its subscription services which allows customers to access the company's employee survey platform software through a "Software as a Service" ("SaaS") model, and, to a much lesser extent, through the provision and sale of certain professional support, and consulting services.

Revenue is recognised to the extent that a contractual arrangement exists, the company satisfies its performance obligation of delivering the service to the customer, and the customer obtains control of the service. This revenue is recognized over the duration of the contract, typically 12 months.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Culture Amp Limited (Registered number: 10067991)
Notes to the financial statements
For the year ended 30 June 2023

2. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

<i>Asset class</i>	<i>Depreciation rate</i>	
Computer equipment	25-33%	on cost
Office furniture	10%	on cost

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the income statement.

Financial instruments

Basic financial instruments as covered by Section 11 of FRS 102 are measured at amortised cost. The company does not have any other Financial Instruments as covered by Section 12 of FRS102.

Debtors are classified as loans and receivables. Loans and receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. The company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Creditors are classified as other financial liabilities at amortised cost. Other financial liabilities are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

Share based payments

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires significant assumptions such as determining the most appropriate inputs to the Black Scholes valuation model including the expected life of the share option, and share price. The share price used as an input requires significant assumptions as to the estimate of enterprise value and methodology used to allocate value between the different classes of security.

Cash in bank and in hand

Cash in bank and in hand comprise of cash at banks which are subject to an insignificant risk of changes in value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

Culture Amp Limited (Registered number: 10067991)
Notes to the financial statements
For the year ended 30 June 2023

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 period 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.

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Culture Amp Limited (Registered number: 10067991)
Notes to the financial statements
For the year ended 30 June 2023

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 are taken into account in arriving at the operating result.

Significant judgement and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Principal versus agent considerations

The company enters into contracts with its customers to enable the customer to utilise the Culture Amp platform which is managed by the ultimate parent company. The company has concluded that they are the principal over the transaction as the company is responsible for fulfilling the contract and is exposed to the credit risk.

3. Employees and Directors

The average number of employees during the year was 95 (2022: 83).

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Directors' remuneration	169,492	123,304
	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Number of Directors accruing benefits under a defined contribution pension scheme for qualifying services	-	-
Number of Directors who exercised share options in the parent's shares during the year	-	-
Number of Directors who received shares for qualifying services	-	-
	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Staff costs during the year		
Wages and salaries	8,253,851	6,282,024
Redundancy costs	212,553	-
Social security costs	1,166,494	915,116
Pension costs	411,438	188,512
Share based payments	160,069	121,268
Total	10,204,405	7,506,920

Culture Amp Limited (Registered number: 10067991)
Notes to the financial statements
For the year ended 30 June 2023

4. Turnover

	Year ended 30 June 2023 £	Year ended 30 June 2022 As restated £
Subscription sales	24,493,047	16,746,904
Consulting and professional services	195,415	104,805
Platform Services	3,589	-
Total turnover	24,692,051	16,851,709

5. Operating profit / (loss)

The operating profit / (loss) is stated after charging / (crediting) :

	Year ended 30 June 2023 £	Year ended 30 June 2022 As restated £
Depreciation – owned assets	52,812	41,405
Auditor's remuneration	16,335	14,850
Rentals under operating lease	323,519	281,432
Foreign exchange difference	(547,607)	1,748,261
Management recharges (Note 4)	2,533,346	8,705,458

6. Taxation

(a) Amount recognised in the profit or loss

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Current tax expense	-	-
Deferred tax expense	-	-
Income tax expense	-	-

(b) Reconciliation of effective tax rate

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Profit or (loss) before income tax	9,126,450	(3,676,910)
Income tax using the Group's statutory income tax rate of 20.5% (2022: 19%)	1,870,922	(698,613)
Non-deductible expenses	42,482	24,660
Unbooked tax losses utilized	(1,887,837)	-
Utilized tax losses carried forward	-	673,953
Effect of change in tax rate	420,016	-
Tax losses and temporary differences not recognised	(414,403)	-
Recognition of prior year deferred balances	(31,180)	-
Income tax expense/(benefit)	-	-

Culture Amp Limited (Registered number: 10067991)
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6. Taxation (continued)

(c) Movement in deferred tax balances

	Opening Balances as at 1 July 2022	Current year movement	Closing Balances as at 30 June 2023
PPE	-	(21,674)	(21,674)
Intangible assets	-	-	-
Employee benefits	-	5,932	5,932
Provisions	-	13,328	13,328
Other items	-	132	132
Tax Losses & Tax Credits	-	2,282	2,282
Net tax assets	-	-	-

(d) Movement in deferred tax balances not recognised

	Opening Balances as at 1 July 2022	Current year movement	Closing Balances as at 30 June 2023
PPE	634	(634)	-
Intangible assets	-	-	-
Employee benefits	20,554	(20,554)	-
Provisions	7,383	(7,383)	-
Other items	328	(328)	-
Tax Losses & Tax Credits	3,455,990	(2,304,521)	1,151,468
Net tax assets	3,484,888	(2,333,419)	1,151,468

Net deferred tax asset is not recognised due to uncertainty over recoverability.

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7. Tangible fixed assets

	Computer equipment & office furniture £
Cost	
At 30 June 2022	188,674
Additions	110,247
Disposals	<u>(7,435)</u>
At 30 June 2023	<u>291,486</u>
Depreciation	
At 30 June 2022	124,755
Charge for year	52,812
Disposal	<u>(5,496)</u>
At 30 June 2023	<u>172,071</u>
Net book value	
At 30 June 2022	<u>63,919</u>
At 30 June 2023	<u>119,415</u>

8. Debtors: amounts falling due within one year

	30 June 2023 £	30 June 2022 £
Trade debtors	5,187,802	5,144,867
Amounts due from parent undertaking	2,480,973	-
Amounts due from other group undertakings	811,998	27,793
Other debtors	220,273	172,220
Prepayments	<u>385,963</u>	<u>137,214</u>
	<u>9,087,009</u>	<u>5,482,094</u>

Included within other debtors is a rent deposit of £171,180 (2022: £171,180) which falls due after more than one year.

9. Creditors: amounts falling due within one year

	30 June 2023 £	30 June 2022 £
Trade creditors	412,062	157,427
Amounts owed to parent undertaking	-	17,377,186
Amounts owed to other group undertakings	4,670,025	6,576,403
Taxation and social security	948,862	1,244,827
Accruals and deferred revenue	<u>13,478,687</u>	<u>12,241,690</u>
	<u>19,509,636</u>	<u>37,597,533</u>

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10. Leasing agreements

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	30 June 2023 £	30 June 2022 £
Not later than one year	149,685	183,165
Later than one year and not later than five years	494,911	644,596
	<u>644,596</u>	<u>827,761</u>

11. Share based payments

Permanent employees in both the parent company (Culture Amp Pty Ltd) and its subsidiaries are eligible to receive share options (equity settled) over shares in the parent undertaking. The cost of equity-settled transactions is determined by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires significant assumptions such as determining the most appropriate inputs to the valuation model including the expected life of the share option, share price, volatility and dividend yield. The share price used as an input requires significant assumptions as to the estimate of enterprise value and methodology used to allocate value between the different classes of security. Each grant has a vesting period of four years with a 12-month cliff and a 10-year expiry.

12. Security

The company's assets are subject to a charge in favour of the company's bankers relating to the banking facilities provided.

13. Related party disclosures

The company has taken advantage of the exemption in section 33.1A Financial Reporting Standard 102 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the group.

14. Ultimate parent company and controlling party

Culture Amp Pty Ltd, incorporated in Australia, is considered to be the ultimate parent company and controlling party. Culture Amp Pty Ltd is the smallest and largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Level 2, 29 Steward Street, Richmond VIC 3121 which is also the ultimate parent's office.

15. Subsequent events

There are no matters or circumstances that have arisen since 30 June 2023 that has significantly affected or may significantly affect in future years:

- (a) the company's operations;
- (b) the results of those operations; or
- the state of affairs of the company