

J2 Global UK Limited

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 03721601



J2 Global UK Limited

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J2 Global UK Limited

Company Information

Directors Jeremy D Rossen
 Geoffrey Inns
 Bret Richter

Registered number 03721601

Registered office 18 Mansell Street
 Level 3
 London
 E1 8AA

Independent auditor BDO LLP
 55 Baker Street
 London
 W1U 7EU

J2 Global UK Limited

Strategic Report For the Year Ended 31 December 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £1.1m (2020 - loss of £1.2m).

There were no dividends declared or paid during the year (2020 - £5.0m).

Principal activities

The principal activities of the company include acting as a holding company and the provision of services to fellow group companies.

Review of the business

J2 Global UK completed four divestments in 2021. In February 2021, J2 Global UK sold the Callstream Group comprising of, Callstream Group Limited, Callstream Limited and CityNumbers Limited to DNN CORP.

In September 2021, Ziff Davis Inc. ("Ziff Davis") (formerly J2 Global Inc.) completed the successful divestment of our B2B backup assets, included within this transaction was the divestment of KeepItSafe UK Limited a subsidiary of J2 Global UK Limited.

The company's remaining investments continued to perform well during the current period, and the directors do not consider that any further provision for impairment is required to the investment values of the shares in group undertakings, each entity remains profitable and cash generative and forecasts indicate that this will remain the case in future periods.

The company received dividends of £1.2m (2020 - £14.3m) during the year, which was evidence of the continued strong performance of the subsidiary investments.

Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the company's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance. Based on the information contained within the accounts and including specific consideration with the risks associated with the COVID-19 situation, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As at 31 December 2021, the company had cash resources of £5.1m (2020 - £1.2m), current assets of £14.4m (2020 - £11.2m), net current assets of £13.8m (2020 - £8.7m) and net assets of £58.1m (2020 - £59.2m). In the year to 31 December 2021 the company made an operating loss of £1.1m (2020 - loss of £1.2m).

The directors continue to monitor the impacts on the company and industry, and have prepared detailed financial projections and reviewed the company's financial position to ensure that it has adequate resources to continue in operational existence in the foreseeable future. The directors are comfortable a scenario that would result in the business not having sufficient cash reserves is extremely remote.

J2 Global UK Limited

Strategic Report (continued) For the Year Ended 31 December 2021

Going concern (continued)

The directors consider that the group has access to sufficient funding to meet its financial obligations as they fall due. In forming this decision the directors have taken into account the fact that the ultimate parent undertaking has provided a letter confirming it will provide the necessary financial assistance as required for a period of at least 12 months from the signing of the 2021 financial statements. The company is expected to continue to generate positive cash flows via dividends from its subsidiary undertakings. The subsidiary undertakings are forecast to continue to be profitable and cash generative.

These financial statements do not include any adjustments that would be required if this basis was not appropriate.

Key performance indicators

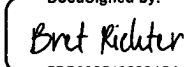
The key performance indicators of the underlying investments are monitored by business management to ensure appropriate business performance. These performance indicators include lifetime value, cost of acquisitions and annual revenue per unit to name a few.

Principal risks and uncertainties

As an intermediate holding company, the principal risks for the company are that either the investment value of the shares in group undertakings, or the amounts owed by group undertakings might not be fully recoverable.

The directors regularly review the performance of the company's subsidiaries to ascertain whether there are any indicators which might indicate risks threatening full recovery.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

.....5DB8035482234CA.....
Bret Richter
Director

Date: 12/5/2022

J2 Global UK Limited

Directors' Report For the Year Ended 31 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £1.1m (2020 - loss of £1.2m).

Details of the dividends paid and declared in the year are disclosed in the strategic report.

Directors

The directors who served during the year and up to the date of signing were:

Jeremy D Rossen
Geoffrey Inns
Bret Richter (appointed 26 May 2022)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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 statements; 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.

J2 Global UK Limited

Directors' Report (continued) For the Year Ended 31 December 2021

Engagement with employees

Ziff Davis operates a framework for employee engagement, development, information and consultation. Our investment in new communication platforms has increased the flow of communication across the business and enabled continued operations as the group took the decision for all staff to work remotely during the COVID-19 pandemic.

Employee engagement and wellbeing is paramount to the success of the business. Ziff Davis undertakes a continuous employment engagement programme including performance, training and skills development. All employees are required to undergo fit and proper assessments and complete annual mandatory training programmes. We positively promote diversity in all areas of the business and support the health and wellbeing of all our staff. We undertake regular 'pulse' surveys to provide meaningful feedback from employees across the business and can respond accordingly.

We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect. It is our policy to ensure that all employees are treated no less favourably on the grounds of disability and are not subject to unlawful discrimination. This policy applies to all aspects of employment including recruitment and selection processes, opportunities for training, development and promotion, and terms and conditions of employment. Through its policies, the company ensures that entry into, and progression within, the company is based solely on personal ability and competence to meet set job criteria. The company ensures that all our employment policies, practices and procedures are accessible for disabled people, providing reasonable adjustment where appropriate.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 2 - 3.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

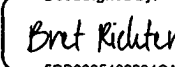
Directors' Indemnity Insurance

The Ultimate holding company has taken out insurance to indemnify, against third part proceedings, the directors of the company whilst serving on the board of the company. The indemnity policy subsisted throughout the period and remains in place at the date of this report.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Bret Richter
Director

Date 12/5/2022

J2 Global UK Limited

Independent Auditor's Report to the Members of J2 Global UK Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of J2 Global UK Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial position, Statement of Changes in Equity and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to Going concern

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

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

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

J2 Global UK Limited

Independent Auditor's Report to the Members of J2 Global UK Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 have been prepared in accordance with applicable legal requirements.

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 and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

J2 Global UK Limited

Independent Auditor's Report to the Members of J2 Global UK Limited (continued)

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.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and obtaining and reviewing supporting documentation relating to the company's policies and procedures relating to:
 - compliance with laws and regulations and whether they were aware of any instances of non-compliance or any actual or potential litigation and claims; and
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussion within the engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud;
- Obtaining an understanding of the legal and regulatory frameworks the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations of the company;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance;
- Addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments such as evaluating entries posted with unusual account combinations to revenue, large material journals and rounded journals. This includes evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Addressing the risk of fraud in revenue recognition, we have performed testing of revenue transactions through verification of supporting evidences for dividend received during the year and other intercompany recharges.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


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

J2 Global UK Limited

Independent Auditor's Report to the Members of J2 Global UK Limited (continued)

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.

DocuSigned by:

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Tom Laird (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 05 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

J2 Global UK Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	178,828	219,736
Cost of sales		(44,443)	(72,186)
Gross profit		134,385	147,550
Administrative expenses		(666,476)	(284,695)
Other operating income	11	1,213,137	14,300,000
Impairment of fixed asset investments	14	(1,902,955)	(15,374,248)
Operating loss	6	(1,221,909)	(1,211,393)
Interest receivable and similar income	8	210,055	203,459
Interest payable and similar expenses	9	(6,990)	(95,638)
Loss before tax		(1,018,844)	(1,103,572)
Tax on profit/(loss)	10	(20,514)	3,836
Loss for the financial year		(1,039,358)	(1,099,736)

All amounts relate to continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

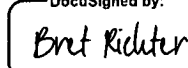
J2 Global UK Limited

Registered number: 03721601

**Statement of Financial Position
As at 31 December 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	-	-
Tangible fixed assets	13	-	62,898
Investments	14	44,326,582	50,463,423
		<u>44,326,582</u>	<u>50,526,321</u>
Current assets			
Debtors: amounts falling due within one year	15	9,269,524	10,028,477
Cash and cash equivalents	16	5,124,774	1,158,722
		<u>14,394,298</u>	<u>11,187,199</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(588,651)	(2,523,813)
Net current assets		<u>13,805,647</u>	<u>8,663,386</u>
Total assets less current liabilities		<u>58,132,229</u>	<u>59,189,707</u>
Net assets		<u>58,132,229</u>	<u>59,189,707</u>
Capital and reserves			
Share capital	19	1,002	1,002
Share premium account	20	4,679,458	4,679,458
Capital contribution reserve	20	43,529,397	43,547,517
Retained earnings	20	9,922,372	10,961,730
		<u>58,132,229</u>	<u>59,189,707</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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Bret Richter
 Director

Date: 12/5/2022

The notes on pages 13 to 25 form part of these financial statements.

J2 Global UK Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Share capital	Share premium account	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2021	1,002	4,679,458	43,547,517	10,961,730	59,189,707
Loss for the year	-	-	-	(1,039,358)	(1,039,358)
Share redeemed during the year	-	-	(18,120)	-	(18,120)
At 31 December 2021	1,002	4,679,458	43,529,397	9,922,372	58,132,229

Statement of Changes in Equity For the Year Ended 31 December 2020

	Share capital	Share premium account	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2020	1,002	4,679,458	43,547,517	17,061,466	65,289,443
Loss for the year	-	-	-	(1,099,736)	(1,099,736)
Distributions to owners					
Dividends paid	-	-	-	(5,000,000)	(5,000,000)
At 31 December 2020	1,002	4,679,458	43,547,517	10,961,730	59,189,707

The notes on pages 13 to 25 form part of these financial statements.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

J2 Global UK Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements contain information about J2 Global UK Limited as an individual company and do not contain consolidated financial information. The company is exempt from the requirement to prepare consolidated financial statements by virtue of the fact that Ziff Davis Inc. the company's ultimate parent prepares consolidated accounts which are publicly available.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 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 paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ziff Davis Inc. (formerly J2 Global, Inc.) as at 31 December 2021 and these financial statements may be obtained from www.ziffdavis.com. Ziff Davis, Inc. trades under the symbol ZD.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the company's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance. Based on the information contained within the accounts and including specific consideration with the risks associated with the COVID-19 situation, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As at 31 December 2021, the company had cash resources of £5.1m (2020 - £1.2m), current assets of £14.4m (2020 - £11.2m), net current assets of £13.8m (2020 - £8.7m) and net assets of £58.1m (2020 - £59.2m). In the year to 31 December 2021 the company made an operating loss of £1.1m (2020 - loss of £1.2m).

The COVID-19 pandemic has had wide-ranging implications for the economy as a whole, but to date, limited impact on the company. The directors have not observed any significant impacts on customer attrition, supplier disruption, pricing and cash flows.

The directors continue to monitor the impacts on the company and industry, and have prepared detailed financial projections and reviewed the company's financial position to ensure that it has adequate resources to continue in operational existence in the foreseeable future. The directors are comfortable a scenario that would result in the business not having sufficient cash reserves is extremely remote.

The directors consider that the group has access to sufficient funding to meet its financial obligations as they fall due. In forming this decision the directors have taken into account the fact that the ultimate parent undertaking has provided a letter confirming it will provide the necessary financial assistance as required for a period of at least 12 months from the signing of the 2021 financial statements. The company is expected to continue to generate positive cash flows via dividends from its subsidiary undertakings. The subsidiary undertakings are forecast to continue to be profitable and cash generative.

These financial statements do not include any adjustments that would be required if this basis was not appropriate.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Other operating income

Other operating income represents dividends declared during the year by group undertakings.

2.6 Operating leases

Rental charges applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

2.7 Foreign currency translation

The presentational and functional currency of these financial statements is GBP Sterling. Value are rounded to the nearest pound.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the statement of financial position date.

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of comprehensive income.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.9 Intangible assets and amortisation

Intangible assets arising on an acquisition are capitalised, classified as an asset and amortised on a straight line basis over their useful economic life.

Intangible asset are reviewed for impairment at the end of the first financial year following acquisition and in other periods if events or change in circumstances indicate that the carrying value may not be recoverable.

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

Trade marks	-	10% straight line
Purchased goodwill	-	20% straight line

2.10 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual values, over the useful economic life of that asset as follow:

Computer equipment, fixtures and fittings	-	24 to 60 months on a straight line
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2.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable 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.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instrument.

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

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.
- Determine whether there are indicators of impairment of amounts owed to the company by other group undertakings. In doing this, an assessment is made as to the economic viability and expected future financial performance of the group undertaking.

Other key sources of estimation uncertainty

- Intangibles and tangibles fixed assets (see notes 12 and 13)

Intangible and tangible fixed assets are amortised or depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Recovery of trade debtors and accrued income (see note 15)

Trade debtors and accrued income relating to amounts falling due from customers are assessed regularly for potential bad debts. Factors considered include the period overdue and discussions with customers to date, sales terms, payments history and future services.

4. Turnover

Turnover is wholly attributable to the principal activity of the company and arises wholly within the United Kingdom.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2020 - £Nil). Directors' remuneration has been borne by a fellow group company in both the current and prior periods.

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation	34,441	64,749
Amortisation	-	2,558
Impairment of fixed asset investments (see note 14)	1,902,955	15,374,248
Auditor's remuneration	11,250	12,770
- Tax compliance service	3,750	1,635
- Other non-audit services	2,300	2,260
	<u>2,054,706</u>	<u>15,458,620</u>

The company retains an operating lease commitment (see note 21), the expense for which has been recharged to other group undertakings in the current and prior periods.

7. Dividends

	2021 £	2020 £
Ordinary interim paid of £Nil per ordinary 'A' share (2020: £5,000 per ordinary share)	-	5,000,000
	<u>-</u>	<u>5,000,000</u>

8. Interest receivable and similar income

	2021 £	2020 £
Intercompany interest receivable	210,055	203,459
	<u>210,055</u>	<u>203,459</u>

9. Interest payable and similar charges

	2021 £	2020 £
Intercompany interest payable	6,990	95,638
	<u>6,990</u>	<u>95,638</u>

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	34,106	-
Adjustments in respect of previous periods	-	(629)
Total current tax	<u>34,106</u>	<u>(629)</u>
Deferred tax		
Origination and reversal of timing differences	(6,318)	(5,808)
Adjustment in respect of prior periods	-	2,601
Effect of tax rate change on opening balance	(7,274)	-
Total deferred tax	<u>(13,592)</u>	<u>(3,207)</u>
Taxation on profit/(loss) on ordinary activities	<u><u>20,514</u></u>	<u><u>(3,836)</u></u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(1,018,844)</u>	<u>(1,103,572)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<u>(193,580)</u>	<u>(209,679)</u>
Effects of:		
Fixed asset difference	-	1,069
Expenses not deductible for tax purposes	1,649,468	2,921,107
Income not taxable for tax purposes	(1,435,374)	(2,717,000)
Group relief surrendered	-	721
Effects of rate changes	-	(2,026)
Adjustments to tax charge in respect of previous periods	-	(629)
Adjustments to tax charge in respect of previous periods - deferred tax	-	2,601
Total tax charge/(credit) for the year	<u><u>20,514</u></u>	<u><u>(3,836)</u></u>

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The company had no unrecognised tax losses as at 31 December 2021 (2020: Nil).

11. Other operating income

	2021 £	2020 £
Dividend received - Livedrive Internet Limited	-	5,000,000
Dividend received - Keepitsafe Backup Limited	300,000	700,000
Dividend received - Vipre Security Limited	-	1,950,000
Dividend received - The Communicator Corporation Limited	-	1,700,000
Dividend received - Callstream Group Limited	160,047	2,300,000
Dividend received - City Numbers Limited	753,090	2,650,000
	<u>1,213,137</u>	<u>14,300,000</u>

12. Intangible assets

	Trademarks £	Purchased goodwill £	Total £
Cost			
At 1 January 2021	130,194	917,503	1,047,697
At 31 December 2021	<u>130,194</u>	<u>917,503</u>	<u>1,047,697</u>
Amortisation			
At 1 January 2021	130,194	917,503	1,047,697
At 31 December 2021	<u>130,194</u>	<u>917,503</u>	<u>1,047,697</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

13. Tangible fixed assets

	Computer equipment, furniture and fixtures £
Cost	
At 1 January 2021	539,391
Disposals	(539,391)
At 31 December 2021	-
Depreciation	
At 1 January 2021	476,493
Charge for the year	34,441
Disposals	(510,934)
At 31 December 2021	-
Net book value	
At 31 December 2021	-
At 31 December 2020	62,898

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	65,837,671
Disposals	(19,608,134)
At 31 December 2021	<u>46,229,537</u>
Impairment	
At 1 January 2021	15,374,248
Charge for the period	1,902,955
Impairment on disposals	(15,374,248)
At 31 December 2021	<u>1,902,955</u>
Net book value	
At 31 December 2021	<u><u>44,326,582</u></u>
At 31 December 2020	<u><u>50,463,423</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Vipre Security Limited	England and Wales	Ordinary	100%
Livedrive Internet Limited	England and Wales	Ordinary	100%
The Communicator Corporation Limited	England and Wales	Ordinary	100%

The registered address of all of subsidiaries is 18 Mansell Street, Level 3, London, England, E1 8AA.

On 9 February 2021, City Numbers Limited, Callstream Group Limited and Callstream Limited were disposed off.

On 31 May 2021, Livevault division (part of Livedrive Internet Limited) was merged with KeepItSafe Backup Limited and on the 31 August 2021 the investment in KeepItSafe Backup Limited has been sold.

During the year, considering a significant decrease in the financial performance of The Communicator Corporation Limited, Management has assessed the future business projections and assessed the value of its investment vis-a-vis the expected value in use. Accordingly an impairment charge of £1,902,955 has been recognised in the current year.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

15. Debtors: amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	8,858,553	9,972,437
Other debtors	335,971	-
Prepayments and accrued income	38,373	28,980
Tax recoverable	-	4,025
Deferred taxation	36,627	23,035
	<u>9,269,524</u>	<u>10,028,477</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>5,124,774</u>	<u>1,158,722</u>

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	32,871	351,690
Trade creditors	285,142	1,352,489
Amounts owed to group undertakings	29,976	-
Corporation tax payable	30,080	-
Other taxation and social security	161,916	784,417
Accruals and deferred income	48,666	35,217
	<u>588,651</u>	<u>2,523,813</u>

The company, as part of a wider group initiative, has opened a cash pool function to improve the efficiency of cash flow management between group undertakings. As part of this, an overdraft facility has been opened to support short term cash flow management whilst funds are distributed between group undertakings.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

18. Deferred taxation

	2021 £	2020 £
Deferred tax asset at beginning of year	23,035	19,828
Charged to profit or loss (note 10)	13,592	3,207
Deferred tax asset at end of year (note 15)	36,627	23,035

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	36,627	23,035

19. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
902 ordinary shares of £1.00 each	902	902
100 ordinary 'A' shares of £1.00 each	100	100
	1,002	1,002

Both the ordinary shares and ordinary 'A' shares rank pari passu with both shares allowing the right to vote at the general meetings of the shareholders.

20. Reserves

The company's capital and reserves are as follows:

Share capital

Share capital represents the nominal value of the shares issued.

Share premium account

The share premium account consists of the difference between the purchase price and the nominal value of the shares acquired in J2 Global UK Limited.

Capital contribution reserve

The capital contribution reserve relates to funding which has been provided by the parent company, J2 Global Ireland Limited, in order for J2 Global UK Limited to acquire its subsidiaries.

J2 Global UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

20. Reserves (continued)

Retained earnings

The retained earnings represents cumulative profit and losses, net of dividends paid and other adjustments.

21. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Land and buildings 2021 £	Land and buildings 2020 £
Not later than 1 year	47,500	35,515
Later than 1 year and not later than 5 years	27,708	-
	<u>75,208</u>	<u>35,515</u>

22. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

23. Ultimate parent and controlling party

The company is a wholly owned subsidiary of J2 Global Ireland Limited. The company's ultimate holding company is Ziff Davis, Inc. Ziff Davis, Inc., a company incorporated in the United States of America and listed on NASDAQ. Group accounts are available from www.ziffdavis.com. Ziff Davis, Inc. trades under the symbol ZD. Ziff Davis, Inc. was previously known as J2 Global, Inc. J2 Global, Inc. changes its name on October 7, 2021.