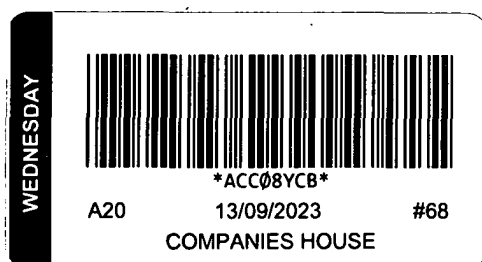


Registered number: 03807789

Alamy Limited

Annual report and financial statements

for the year ended 31 December 2022



Alamy Limited

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Alamy Limited

Officers and professional advisors

Directors	A J Dowsett J R Goode C P Marshall E J A Shelley
Registered Office	The Point 37 North Wharf Road Paddington London W2 1AF
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW

Alamy Limited

Strategic report

The directors present their strategic report for the year ended 31 December 2022.

Review of business

Headline revenue was £32.3m (2021: £29.1m), an increase of 11% on 2021 as a result of improved market conditions and the continued expansion of the international customer base. Profit before tax was £4.5m (2021: £6.2m), a reduction on prior year due to an additional £2.1m in technology costs to support investment in the Alamy platform and to drive future revenue growth. Continued business growth has led to an improved net asset position of £15.1m (2021: £11.0m).

Key performance indicators

The directors consider revenue and operating profit to be the key performance indicators ("KPIs"), both of which are discussed in the review of business above. The directors also monitor net assets, which are also discussed above. The Company does not issue KPIs of a non-financial nature.

Future developments

The Company entered 2023 well placed to further diversify the business while maintaining a focus on providing customers with high quality and relevant content.

Principal risks and uncertainties

The risks and uncertainties below represent the risks the directors believe are material. Other factors not presently known to the directors or which are not presently deemed material could also affect the Company's future business and operations.

The images market remains highly competitive and is subject to rapid technological changes, and evolving customer demands and needs. New technologies continue to change the competitive landscape, and these market trends demand that the Company's product and service offerings are responsive to this. To this end, the Company continues to invest in enhancing its current products and services, such as the addition of new products and functionalities; investment in new technology; and partnerships with other businesses in key sectors.

The Company faces risks relating to technical failure and its impact on service provision. The Company therefore regularly reviews the nature of its technology and deploys strategies to mitigate the risk, such as continuously investing in software development and technical hardware to ensure that the Company remains able to provide a strong technical platform and deliver reliable products to the market and its customers.

Economic recovery from the Covid-19 pandemic, coupled with the economic impact of the war in Ukraine and high inflationary pressures, pose an ongoing risk to the Company's operations, finance and customer base.

The directors take confidence from the Company and wider group's strong cash flow position through 2022 and post year end, that the Company is able to effectively manage and mitigate these risks over the long term.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies are actively managed by the directors on a group basis.

Credit risk

The group's principal financial assets are cash, trade and other receivables and investments. The group's credit risk is primarily attributable to its trade receivables to the extent that a customer may be unable to pay the debt on the specified due date. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. This risk is further mitigated by the strong ongoing customer relationships and for many customers there is a dependency on an ongoing service.

Liquidity risk

The group mitigates liquidity risk by ensuring that sufficient funds are available for ongoing operations and future developments. The group holds cash on deposit and has ensured that the funds are held in a spread of money market funds and institutions.

Alamy Limited

Strategic report (continued)

Market risk

The markets in which the group operates are susceptible to macroeconomic and geopolitical volatility and may decline as a result of economic downturns, changes in legislation and regulations, or political instability. In addition, the competitive landscape continues to evolve. The Company mitigates market risk through investing in product and platform innovation to ensure customers receive high quality content, data and other services. Further the Company both fosters strong relationships with its customers and comprehensive sector knowledge. This enables the Company to anticipate changes in market conditions at an early stage.

Directors' duties

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in the Companies Act 2006 and include in Section 172 the requirement that a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its stakeholders.

In doing this, the directors must have regard, amongst other matters, to:

- the likely consequences of any decisions in the long term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the company's reputation for high standards of business conduct; and
- the need to act fairly between members of the company

The Company, as part of the PA Media Group, is committed to being a responsible business and ensuring that its business practices have positive impacts on the community and the environment.

The directors are committed to openly engaging with the group's shareholders. It is important to the Group that shareholders understand the Group's strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions properly considered.

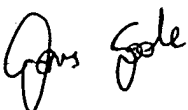
The core values that underpin the Group's strategy and objectives are integrity, collaboration, accountability and respect. This is demonstrated and actively encouraged in dealings with the Group's staff, including through the annual objective setting process, and with customers, suppliers and other stakeholders in the wider community.

The Company is committed to engaging with our employees. Senior executives meet employees on a regular basis, including twice-yearly staff address by the CEO. There are several forums through which employees and management can raise questions and discuss any issues.

Diversity and inclusion are important priorities for the Company and our employees. The Group has working groups, with specific focus on equality, diversity and inclusion respectively, which comprise representatives from each part of the business to help develop and implement strategies to strengthen our diversity and inclusion agenda. The working group meets regularly and presents recommendations to the Group's executive team.

Details of the Company's risk management objectives and policies are noted above in addition to the group's principal risks and uncertainties, and how these are mitigated.

Approved by the Board and signed on its behalf by:



J R Goode
Director
13 June 2023

Alamy Limited

Directors' report

The directors present their report and the financial statements of the Company for the year ended 31 December 2022.

Principal activities

Alamy has one of the world's most diverse creative and editorial stock imagery collections. The Alamy picture library offers creative and editorial stock photography sourced from a network of photographers, picture agencies and archives.

Directors

The directors, who served throughout the year and subsequently except as noted, were as follows:

A J Dowsett
J R Goode
C P Marshall
E J A Shelley (appointed 2 March 2022)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Employment of disabled persons

It continues to be Company policy to provide equal opportunities for employment, training and career development for all employees. The policy for the employment of the disabled is that full and fair consideration should be given to their aptitude and abilities. Adjustments are made for staff who become disabled whilst employed by the Company in order for them to continue in their current role. Where this is not possible, the Company will try to find an alternative solution. Staff are also assisted in applying for other suitable alternative roles within the company.

Employee involvement

Under the Company's general policy of decentralised management, it is the responsibility of the management in each division to encourage the involvement and participation of employees in their departments. Staff are directly involved, through their elected representatives and alongside senior management, in Works Councils at each of the Company's main sites. Staff are also involved, through their elected representatives, in the conduct of the Company's defined benefit pension scheme.

Dividends

Dividends of £nil were approved (2021: £nil).

Going concern

Economic recovery from the Covid-19 pandemic, coupled with the economic impact of the war in Ukraine and high inflationary pressures, pose an ongoing risk to the Company's operations, finance and customer base.

The Company has performed financial modelling, including applying sensitivities and stress testing various scenarios, which show that the Company continues to be cash positive as a result of its diversified businesses and core subscription model. The directors take confidence from the Company and wider group's strong cash flow position through 2022 and post year end, that the Company is able to effectively manage and mitigate these risks over the long term.

After reviewing the Company's forecasts and projections for the period to June 2024 and the letter of support provided by the ultimate parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure of information in the strategic report

Details of the Company's principal risks and uncertainties, financial risk management policies, future developments and post balance sheet events can be found in the strategic report on pages 2-3 and form part of this report by cross-reference.

Alamy Limited

Directors' report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). 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 and 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 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.

The directors confirm that:

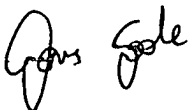
- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Having expressed a willingness to continue in office, Grant Thornton UK LLP will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



J R Goode
Director
13 June 2023

The Point
37 North Wharf Road,
Paddington, London
W2 1AF

Independent auditor's report to the members of Alamy Limited

Year ended 31 December 2022

Opinion

We have audited the financial statements of Alamy Limited (the 'company') for the year ended 31 December 2022, which comprise statement of income and retained earnings, balance sheet and notes to the financial statements, including a summary of significant accounting policies and notes to the financial statements. 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 '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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the crisis in Ukraine, the cost of living crisis and rising inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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 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 audit or otherwise appears to be materially

Independent auditor's report to the members of Alamy Limited

Year ended 31 December 2022

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 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 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting

Independent auditor's report to the members of Alamy Limited

Year ended 31 December 2022

legislation related to reporting frameworks (FRS102 and Companies Act 2006), distributable profits legislation, tax legislation, anti-bribery and corruption legislation, health and safety, data protection, and employment law.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit;

- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes, and correspondence received from regulatory bodies;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility to fraud. Audit procedures performed by the engagement team included:
 - evaluation of the controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to the year end consolidation and entries determined to be large or relating to unusual transactions based on our understanding of the business;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing related party transactions;
 - completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team including the consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation and knowledge of the industry in which the company operates.

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

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.

Matthew Flowers

Senior Statutory Auditor

For and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Grant Thornton UK LLP

13 June 2023

Alamy Limited

Statement of income and retained earnings

For the year ending 31 December 2022

	Note	2022 £000	2021 £000
Turnover	3	32,279	29,127
Staff costs	6	(5,092)	(4,381)
Depreciation and amortisation	5	(375)	(133)
Other operating expenses	5	(22,950)	(18,912)
Operating profit		3,862	5,701
Interest receivable and similar income	4	43	5
Interest payable and similar charges	4	(13)	-
Investment income	5	647	448
Profit before taxation		4,539	6,154
Tax on profit	8	(422)	(170)
Profit for the financial year attributable to the equity shareholders of the Company		<u>4,117</u>	<u>5,984</u>
Retained earnings at the start of the financial year		10,285	4,301
Profit for the financial year attributable to the equity shareholders of the Company		4,117	5,984
Retained earnings at the end of the financial year		<u>14,402</u>	<u>10,285</u>

All the activities of the Company are from continuing operations.

The notes on pages 11 to 23 are an integral part of these financial statements.

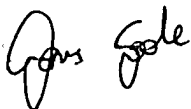
Alamy Limited

Balance sheet

At 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	9	1,346	544
Tangible assets	10	498	55
Investments	11	444	444
		<u>2,288</u>	<u>1,043</u>
Current assets			
Debtors: amounts falling due within one year	12	17,217	9,889
Cash		4,261	6,495
		<u>21,478</u>	<u>16,384</u>
Creditors: amounts falling due within one year	13	(8,259)	(6,293)
Net current assets		<u>13,219</u>	<u>10,091</u>
Total assets less current liabilities		<u>15,507</u>	<u>11,134</u>
Deferred tax liabilities	14	(366)	(124)
Other provisions	15	(63)	(49)
		<u>15,078</u>	<u>10,961</u>
Net assets		<u>15,078</u>	<u>10,961</u>
Capital and reserves			
Called-up share capital		1	1
Share premium account	16	675	675
Profit and loss account	16	14,402	10,285
		<u>15,078</u>	<u>10,961</u>

The financial statements of Alamy Limited (registered number 03807789) were approved by the board of directors and authorised for issue on 13 June 2023. They were signed on its behalf by:



J R Goode
Director

The notes on pages 11 to 23 are an integral part of these financial statements.

Alamy Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Alamy Limited is a company incorporated in England and Wales under the Companies Act 2006. The Company is a private Company limited by shares. The address of the registered office is given on page 1.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Accordingly, the financial statements are presented in pounds sterling (£'000).

b. Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of PA Media Group Limited which can be obtained from the Company Secretary at the registered address on page 1. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- i. No cash flow statement has been presented for the company.
- ii. Disclosures in respect of financial instruments have not been presented.
- iii. Disclosures in respect of key management personnel.

The Company is a wholly owned subsidiary of PA Media Group Limited and is included in the consolidated financial statements of PA Media Group Limited. The Company is therefore exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements. The financial statements of PA Media Group Limited can be found at The Point, 37 North Wharf Road, Paddington, London, England, W2 1AF.

c. Going concern

Economic recovery from the Covid-19 pandemic, coupled with the economic impact of the war in Ukraine and high inflationary pressures, pose an ongoing risk to the Company's operations, finance and customer base.

The Company has performed financial modelling, including applying sensitivities and stress testing various scenarios, which show that the Company continues to be cash positive as a result of its diversified businesses and core subscription model. The directors take confidence from the Company and wider group's strong cash flow position through 2022 and post year end, that the Company is able to effectively manage and mitigate these risks over the long term.

After reviewing the Company's forecasts and projections for the period to June 2024 and the letter of support provided by the ultimate parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

d. Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and any impairment losses. The cost of tangible fixed assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies

Depreciation of tangible fixed assets is provided, from the date assets are acquired, on a straight-line basis calculated to write off the cost of each asset less their residual value over the term of its useful life, at the following rates.

Leasehold improvements	10-20%
Fixtures and fittings	20%
IT equipment	33%

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are revisited on an annual basis to ensure that the useful economic life remains reasonable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss.

d. Intangible fixed assets

Intangible fixed assets are stated at cost of acquisition less accumulated amortisation and any impairment losses.

These values are amortised on a straight-line basis over its useful economic life which is judged to be:

Software	20-25%
----------	--------

e. Investments

Investments in subsidiaries, associated and joint ventures are accounted for at cost less impairment.

f. Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial instruments are classified as liabilities and equity instruments 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.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Alamy Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

Derivative instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each re-reporting date. The resulting gain or loss is recognised in profit or loss immediately.

The best evidence of fair value is a quoted price for an identical asset in an active market. Where quoted prices are unavailable, the price of a recent transaction for an identical asset is used as evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse in time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value would be estimated by using a valuation technique.

g. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

h. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Alamy Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

i. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of estimated discounts, value-added or other sales taxes, and after eliminating intercompany sales within the Company. When the outcome cannot be reliably estimated, turnover is recognised only to the extent that it is probable that future economic benefits will flow to the Company. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Turnover generated from the sale of images is recognised in line with the terms of sale.

The amount of turnover recognised depends on whether the Company acts as an agent or a principal. The Company acts as a principal when it has primary responsibility for delivering images to the end user and has significant risks and rewards associated with the transaction. When the Company acts as principal, the revenue is recorded as the gross amount billed. Costs associated with images sold are also recognised at the gross amount within other operating expenditure.

j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

k. Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

l. Pension costs

The Company operates a defined contribution scheme. The amounts charged to the profit and loss account are the contributions payable in the period.

m. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

n. Debtors

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

o. Creditors

Short term creditors are measured at transaction price.

p. Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

2. Critical accounting judgements

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Alamy Limited

Notes to the financial statements **For the year ended 31 December 2022**

2. Critical accounting judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Agency versus principal arrangements

The amount of turnover recognised depends on whether the Company acts as an agent or a principal. The Company acts as a principal when it has primary responsibility for delivering images to the end user and has significant risks and rewards associated with the transaction. When the Company acts as principal, the revenue is recorded as the gross amount billed. Costs associated with images sold are also recognised at the gross amount within other operating expenditure.

Valuation of intangibles

The Company hold intangible fixed assets of £1.3m (2021: £0.5m), with additions of £1.1m during the year. Intangible fixed assets include software relating to the Alamy platform. Key judgements include the estimation of useful economic life of the software which is reviewed on an annual basis.

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

3. Turnover

Turnover arises from:

	2022 £000	2021 £000
Sale of images	32,279	29,127

An analysis of turnover by geographic location is as follows:

	2022 £000	2021 £000
UK and Ireland	13,243	13,871
Europe	7,271	5,754
Rest of the World	11,765	9,502
	32,279	29,127

4. Finance income (net)

	2022 £000	2021 £000
Interest receivable and similar income	43	5
Interest payable and similar charges	(13)	-
	30	5

5. Profit before taxation

Profit before taxation is stated after charging:

	2022 £000	2021 £000
Amortisation of intangible assets (see note 9)	321	76
Depreciation of tangible assets (see note 10)	54	57
Losses/(gains) on disposal of tangible assets	411	(16)
Foreign exchange losses	149	11
Operating lease rentals	123	147
Investment income	647	448
Fees payable to the Company's auditor for the audit of the Company's financial statements	21	23

During the year, the Company received investment income of £0.6m from subsidiary undertakings (2021: £0.4m).

The auditors did not perform any non-audit services in the year (2021: £Nil).

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

6. Staff costs

An analysis of staff costs is as follows:

	2022 £000	2021 £000
Wages and salaries	4,527	3,813
Social security costs	393	405
Pension costs	172	163
	<u>5,092</u>	<u>4,381</u>

The average number of persons employed by the Company during the period was:

	2022 No	2021 No
Sales and operations	56	53
Administration	19	25
	<u>75</u>	<u>78</u>

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £000	2021 £000
Aggregate emoluments	-	2
Pension costs	-	-
	<u>-</u>	<u>2</u>

The four directors did not receive any emoluments for their services as directors of the Company during the year or preceding year. These directors of the Company have wide ranging responsibilities for the management of PA Media Group Limited and as such their emoluments are paid by PA Media Group Limited. Accordingly, disclosures in respect of directors' remuneration have been made in the financial statements of PA Media Group Limited.

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

8. Tax on profit on ordinary activities

	2022 £000	2021 £000
Current tax		
UK current tax expense	180	-
Adjustments in respect of prior periods	-	2
Foreign tax current expense	-	49
Total current tax	180	51
Deferred tax		
Origination and reversal of timing differences	260	116
Effect of changes in tax rates	-	2
Adjustments in respect of prior periods	(18)	1
Total deferred tax	242	119
Tax charge on profit on ordinary activities	422	170

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is less than (2021: less than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

	2022 £000	2021 £000
Profit on ordinary activities before taxation	4,539	6,154
Tax on the profit at the standard UK rate of tax of 19.00% (2021: 19.00%)	862	1,169
Adjustment in respect of prior periods	(18)	3
Effect of expenses not deductible for tax purposes	1	1
Fixed asset differences	(79)	(8)
Group income	(123)	(85)
Transfer pricing adjustments	(174)	(159)
Group relief claimed	(129)	(781)
Movement in deferred tax not recognised	25	-
Adjustments due to change in tax rates	57	30
Tax charge on profit	422	170

Factors that may affect future tax charges

The standard rate of corporation tax in the UK was 19.00% through 2022. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 19.00% (2021: 19.00%).

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 and the legislation received Royal Assent on 10 June 2021. This increase was confirmed in the Autumn 2022 Budget.

The deferred tax assets and liabilities reflect these rates.

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

9. Intangible fixed assets

	Software £000	Total £000
Cost		
At 1 January 2022	620	620
Additions	1,123	1,123
At 31 December 2022	1,743	1,743
Depreciation		
At 1 January 2022	76	76
Charge for the year	321	321
At 31 December 2022	397	397
Net book value at 31 December 2022	1,346	1,346
Net book value at 31 December 2021	544	544

10. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	IT and other equipment £000	Total £000
Cost				
At 1 January 2022	42	164	2,613	2,819
Additions	250	-	247	497
Disposals	-	-	(188)	(188)
At 31 December 2022	292	164	2,672	3,128
Depreciation				
At 1 January 2022	42	162	2,560	2,764
Charge for the year	4	2	48	54
Disposals	-	-	(188)	(188)
At 31 December 2022	46	164	2,420	2,630
Net book value at 31 December 2022	246	-	252	498
Net book value at 31 December 2021	-	2	53	55

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

11. Investments

	Total £000
Carrying value before impairment	
At 1 January and 31 December 2022	444
Carrying value at 31 December 2022 and 31 December 2021	444

The directors believe that the carrying values of investments in all subsidiary undertakings are supported by their underlying net assets or discounted future cash flows.

At 31 December 2022, the Company had interests in the following subsidiaries:

Company	Activity	Interest	Registered office
Alamy Images India Private Limited	Images distribution	100%	C-16, Gayatri Building, Technopark Campus, Thiruvanthapuram, Kerala, India
Alamy Inc	Images distribution	100%	49 Flatbush Avenue, Suite 130, Brooklyn, New York 11217, USA
Alamy Australia PTY Limited	Images distribution	100%	Level 6, 200 Adelaide Street, Brisbane, QLD 4000, Australia.

12. Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Trade debtors	2,392	1,768
Amounts owed by group companies	13,910	6,555
Corporation tax	-	107
Prepayments and accrued income	674	821
Other debtors	241	638
	<u>17,217</u>	<u>9,889</u>

Trade debtors is stated after provisions for impairment of £146,000 (2021: £63,000). Amounts owed by group undertakings are unsecured and repayable on demand.

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

13. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	4,265	4,094
Amounts owed to group undertakings	85	243
Other taxes and social security	367	299
Accruals and deferred income	2,844	1,519
Finance leases	277	-
Other creditors	421	138
	<u>8,259</u>	<u>6,293</u>

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

14. Deferred tax

Deferred tax liabilities can be analysed as follows:

	2022 £000	2021 £000
Accelerated capital allowances	(405)	(147)
Short term timing differences	39	23
	<u>(366)</u>	<u>(124)</u>

The movement in deferred tax is as follows:

	2022 £000	2021 £000
At 1 January	(124)	(5)
Deferred tax charge to profit and loss	(242)	(119)
At 31 December	<u>(366)</u>	<u>(124)</u>

Based on current capital expenditure plans, the Group does not expect timing differences in relation to fixed assets to reverse to any significant extent in the next 12 months.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on jurisdictional tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

15. Provisions

	Leasehold dilapidations commitments £000	Total £000
At 1 January 2022	49	49
Additions	14	14
Utilised in the year	-	-
	<hr/>	<hr/>
At 31 December 2022	63	63
	<hr/>	<hr/>

Leasehold dilapidations provisions relates to contractual obligations to reinstate leasehold properties into their original state of repair at the end of the lease. The provisions are calculated with reference to the expired portion of the individual lease agreements where such a clause exists in the lease contract. The transfer of economic benefit will be made at the end of the lease as set out in note 17.

16. Reserves

Called up share capital

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

	2022 £000	2021 £000
Allotted, called up and fully paid		
1,300,000 (2021: 1,300,000) 'A' Ordinary shares of £0.001 each	1	1
1000 (2021: 1000) 'B' share of £0.001 each	-	-
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

Share premium account

The share premium account includes all amounts paid in excess of nominal value for ordinary shares issued less the cost of issuing the shares.

Profit and loss account

The profit and loss account comprises cumulative net gains and losses from recognised earnings.

17. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £000	2021 £000
- within one year	117	117
- between one and five years	101	218
	<hr/>	<hr/>
	218	335
	<hr/>	<hr/>

Alamy Limited

Notes to the financial statements For the year ended 31 December 2022

Total future minimum lease payments under finance lease are payable as follows:

	2022 £000	2021 £000
Less than one year	136	-
Between one to five years	141	-
	<u>277</u>	<u>-</u>

Finance lease payments represent rentals payable by the Company for certain items of computer equipment.

18. Pension commitments

The Company operates a defined contribution pension scheme, which meet auto-enrolment regulations. The assets of the scheme are held separately from those of the Company in an independently administered fund.

At 31 December 2022, the Company had unpaid contributions of £24,000 which were due to the fund (2021: £24,000). These amounts are presented within other creditors.

19. Related party transactions

As a subsidiary company of undertaking PA Media Group Limited, the Company has taken advantage of the exemptions in Section 33 "Related Party Transactions" from disclosing transactions with members of PA Media Group Limited.

20. Controlling party

At 31 December 2022, the largest and smallest group in which the results of the Company were consolidated is PA Media Group Limited. The consolidated financial statements can be obtained from The Point, 37 North Wharf Road, Paddington, London, England, W2 1AF. The immediate parent company is The Press Association Limited. The ultimate parent company PA Media Group Limited has prepared consolidated group financial statements for the year ended 31 December 2022. The ultimate controlling party is PA Media Group Limited.