

Company registration number 03226374 (England and Wales)

**INTERNET COMPUTER BUREAU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# INTERNET COMPUTER BUREAU LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J M Robinson Mr A J Atallah Mr A M Alvarez
<b>Secretary</b>	Mr A M Alvarez
<b>Company number</b>	03226374
<b>Registered office</b>	Greytown House 221-227 High Street Orpington Kent United Kingdom BR6 0NZ
<b>Auditor</b>	Azets Audit Services Greytown House 221-227 High Street Orpington Kent United Kingdom BR6 0NZ

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# **INTERNET COMPUTER BUREAU LIMITED**

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# INTERNET COMPUTER BUREAU LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

### Fair review of the business

#### Introduction

Domain names are the cornerstone of most companies' internet presence and are used to anchor email, websites, and other critical internet resources. Internet Computer Bureau Ltd (ICB) is in the business of managing and operating top-level internet domain names (TLDs), primarily through the distribution and servicing of individual domain names or second level domain names (SLDs) via domain name registrars.

During 2022 ICB continued to manage or operate three TLDs: .AC, .IO and .SH. The primary strategy of ICB is to provide excellent service to all three of these TLDs and to maintain and develop the reputation of each TLD. In so doing ICB also endeavours to ensure continuing growth of the ICB managed namespaces within a competitive market comprising thousands of TLDs.

#### Financial Review

The 2022 results, for Internet Computer Bureau set out herein reflect another successful year's trading, maintaining the good growth in turnover from prior years. ICB is part of a larger group of companies and so depends on related entities for the provision of all key operational functions. The directors believe that ICB benefits from operating within a group of related companies in various ways including, in terms of market position, economies of scale and risk mitigation (as discussed further in the following section).

The key financial highlights are as follows:

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	<b>26,025,029</b>	16,372,908	12,782,636	10,356,093
Change in turnover	<b>58.95%</b>	28.08%	23.43%	29.2%
Gross margin	<b>1,221,712</b>	584,264	518,494	395,339
	<b>4.69%</b>	3.57%	4.06%	3.82%
Operating profit	<b>1,455,678</b>	137,724	259,013	338,997
Profit for the financial year (after tax)	<b>1,701,784</b>	306,444	437,763	613,206

The company's financial position continued to strengthen during 2022 with an increase in net assets to £2,496,091 from £794,307 which were reported in the previous year.

The company continues to invest in marketing of the TLDs it operates in order to bring our products to an ever-wider audience in that we have worked to develop and leverage relationships with our distribution channel. We have also invested directly by financial commitment to promotion within the channel and believe this to be a productive route to developing the business.

# INTERNET COMPUTER BUREAU LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Principal risks and uncertainties

#### Business risks

Business risks faced by the company include; market demand for domain names, our ability to provide continuous registration and associated services and our ability to operate a network of domain name system servers. Such risks therefore comprise operational, technical and distribution risks. In addition, we are subject to potential changes in regulation of the broader online services segment in which we operate.

As part of a larger group of companies, the business benefits from economies of scale in all aspects of our operation, technical and sales and marketing activities. By being part of a larger group, the business is not dependent on our own staff to provide, maintain and develop our critical infrastructure. We are able to outsource all critical functions within the broader group of companies and we believe that by outsourcing as described, we substantially mitigate risks associated with the in-house operation by a smaller team.

#### Financial risks

The principal risks faced by the company include (i) continuing stability and growth in the market for second-level domains, (ii) competition from other registry operators of top-level domains in pricing and popularity of those top-level domains, and (iii) ensuring the group's technologies perform securely, efficiently and without interruption to ensure the security and stability of the company's top level domains.

A reduction in revenue via the above market risks would have a limited effect on the company's profitability since the company's contract for the management of its top level domains with group companies results in such cost of sales reducing commensurately.

The company's operations expose it to financial risks that include the effects of exchange rate risk and credit risk. The company has in place a risk management programme that seeks to manage the financial exposures of the company.

#### Exchange rate risk

Most of the company's purchases and all of the company's sales are denominated in U.S. Dollars thereby reducing the company's exposure to exchange rate risks. The company does have some exposure to exchange rate risks as it relates to certain administrative purchases made in sterling. However, given the size of the sterling expenses relative to the overall expenses, the costs of managing exposure to exchange rate risks exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's non-U.S. Dollar purchases change in size or nature.

#### Credit risks

The company's policy historically required most registrars to post cash funds to establish a line of credit against which the registration fees are charged at the time domain names are registered. Since 2017, the company outsourced management of its top level domains to other group companies, in addition to extending credit to most customers. Accordingly, the company's credit risk is to the amounts owed by group companies and, to a lesser extent, collectability of balances from registrars. To mitigate credit risk, receivable balances from registrars are regularly monitored by the group. The group has had minimal bad debt write-offs since its inception.

Financial instruments that subject the company to concentrations of credit risk consist principally of amounts owed by group companies and cash on deposit with various financial institutions. The company monitors the credit quality of these financial institutions. The amounts owed by group companies are interest-bearing.

#### Liquidity risks

The company draws as necessary on the amounts owed by group companies to provide sufficient assets in a readily realisable form to meet all obligations as they fall due.

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

# **INTERNET COMPUTER BUREAU LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Development and performance**

The development of the business is primarily reflected by the growth in our turnover. Turnover growth is driven in part by the market forces described in the introductory paragraph of this Business Review. However, the more significantly driver is our ability to successfully distribute and market our product through a substantial distribution network, which includes the world's leading domain name registration and services businesses. We pay close attention to our working relationship with these distributors and we are able to use targeted promotional activity to enhance and develop uptake of ICB's operated and managed TLDs.

### **Key performance indicators**

The primary key performance indicators for the business are the number of domains within the registry – domains under management - and the turnover of the business. These are directly linked.

In addition, profitability and liquidity are also of critical interest to our shareholders and are therefore maintained under close watch.

### **Future Developments**

ICB will continue to leverage its position within the group of companies within which it operates and expects to benefit from enhancements to key areas including policy development and outreach, systems and technology development, and product distribution during the year ahead.

On behalf of the board



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J M Robinson

**Director**

7 August 2023

# **INTERNET COMPUTER BUREAU LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **Principal activities**

The principal activity of the company continued to be that of domain registry services.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J M Robinson

Mr R P Haas

Mr A J Atallah

Mr A M Alvarez

(Resigned 14 October 2022)

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Statement of directors' responsibilities**

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

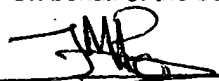
# INTERNET COMPUTER BUREAU LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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On behalf of the board



J M Robinson  
Director

Date: .....

07/08/2023



# INTERNET COMPUTER BUREAU LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INTERNET COMPUTER BUREAU LIMITED

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#### Opinion

We have audited the financial statements of Internet Computer Bureau Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for 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 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

# **INTERNET COMPUTER BUREAU LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF INTERNET COMPUTER BUREAU LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

# INTERNET COMPUTER BUREAU LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF INTERNET COMPUTER BUREAU LIMITED

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

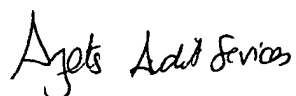
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

#### **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.



**Catherine Cooper FCCA**  
**Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services**  
**Accountants**  
**Statutory Auditor**

Date: 8 August 2023

Greytown House  
221-227 High Street  
Orpington  
Kent, BR6 0NZ  
United Kingdom

# INTERNET COMPUTER BUREAU LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

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	Notes	2022 £	2021 £
Turnover	3	26,025,029	16,372,908
Cost of sales		(24,803,317)	(15,788,644)
<b>Gross profit</b>		<b>1,221,712</b>	<b>584,264</b>
Administrative expenses		233,966	(446,540)
<b>Operating profit</b>	4	<b>1,455,678</b>	<b>137,724</b>
Interest receivable and similar income		523,809	194,564
<b>Profit before taxation</b>		<b>1,979,487</b>	<b>332,288</b>
Tax on profit	7	(277,703)	(25,844)
<b>Profit for the financial year</b>		<b>1,701,784</b>	<b>306,444</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations.


# INTERNET COMPUTER BUREAU LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Current assets</b>					
Debtors	9	21,164,599		15,403,660	
Cash at bank and in hand		107,764		44,329	
		<u>21,272,363</u>		<u>15,447,989</u>	
<b>Creditors: amounts falling due within one year</b>	10	(15,478,896)		(12,504,458)	
<b>Net current assets</b>			5,793,467		2,943,531
<b>Creditors: amounts falling due after more than one year</b>	11		(3,297,376)		(2,149,224)
<b>Net assets</b>			<u>2,496,091</u>		<u>794,307</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,100		50,100
Profit and loss reserves			2,445,991		744,207
<b>Total equity</b>			<u>2,496,091</u>		<u>794,307</u>

The financial statements were approved by the board of directors and authorised for issue on 7 August 2023 and are signed on its behalf by:

  
 J M Robinson  
 Director

Company Registration No. 03226374

# INTERNET COMPUTER BUREAU LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021	50,100	437,763	487,863
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	306,444	306,444
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	50,100	744,207	794,307
<b>Year ended 31 December 2022:</b>			
Profit and total comprehensive income for the year	-	1,701,784	1,701,784
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>50,100</u>	<u>2,445,991</u>	<u>2,496,091</u>

# INTERNET COMPUTER BUREAU LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	15	(363,518)		(161,134)	
Income taxes paid		(96,856)		(38,374)	
<b>Net cash outflow from operating activities</b>		(460,374)		(199,508)	
<b>Investing activities</b>					
Interest received		523,809		194,564	
<b>Net cash generated from investing activities</b>		523,809		194,564	
<b>Net increase/(decrease) in cash and cash equivalents</b>		63,435		(4,944)	
Cash and cash equivalents at beginning of year		44,329		49,273	
<b>Cash and cash equivalents at end of year</b>		107,764		44,329	

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Internet Computer Bureau Limited is a private company limited by shares incorporated in England and Wales. The registered office is Greytown House, 221-227 High Street, Orpington, Kent, United Kingdom, BR6 0NZ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Revenue comprises the fair value of consideration received or receivable for the provision of services in the ordinary services of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Domain registration fees for registration services are recognised on a straight line basis over the life of the registration term. Revenue generated from each subscription product is recognised evenly over the duration of each subscription. The associated costs, primarily domain name registration fees paid to other registries, are also recognised evenly over the duration of each domain term. Deferred income represents the unearned portion of revenue related to the unexpired domain or subscription term.

Domain name registration fees are refundable for the first five days of the registration. Renewals are refundable for up to 45 days depending on the sale type. Revenue recognition for domain names commences after the refundable period has elapsed.

#### **1.4 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.5 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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.

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.7 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.8 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There were no key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
United Kingdom	264,474	166,386
Europe	8,531,161	5,367,138
America	16,719,005	10,518,287
Asia	339,087	213,327
Other	171,302	107,770
	<u>26,025,029</u>	<u>16,372,908</u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	<u>523,809</u>	<u>194,564</u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(974,915)	(82,442)
Fees payable to the company's auditor for the audit of the company's financial statements	<u>15,285</u>	<u>9,350</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Management	<u>1</u>	<u>1</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	45,000	44,939
Social security costs	5,134	5,701
	<u>50,134</u>	<u>50,640</u>

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	45,000	44,939

### 7 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	281,026	36,967
Adjustments in respect of prior periods	(3,323)	(11,123)
Total current tax	277,703	25,844

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,979,487	332,288
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	376,103	63,135
Tax effect of expenses that are not deductible in determining taxable profit	1	-
Tax effect of utilisation of tax losses not previously recognised	(74,178)	(26,168)
Adjustments in respect of prior years	(3,323)	(11,123)
Provisions tax adjustment	(20,900)	-
Taxation charge for the year	277,703	25,844

### 9 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	21,157,010	15,403,660
Other debtors	7,589	-
	21,164,599	15,403,660

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Trade creditors		78,863	94,247
Corporation tax		187,814	6,967
Other taxation and social security		1,022	4,538
Deferred income	12	14,707,803	11,921,136
Other creditors		342,133	212,803
Accruals and deferred income		161,261	264,767
		<u>15,478,896</u>	<u>12,504,458</u>

#### 11 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Deferred income	12	<u>3,297,376</u>	<u>2,149,224</u>

#### 12 Deferred income

	2022 £	2021 £
Other deferred income	<u>18,005,179</u>	<u>14,070,360</u>
Included in the financial statements as follows:		
Current liabilities	14,707,803	11,921,136
Non-current liabilities	<u>3,297,376</u>	<u>2,149,224</u>
	<u>18,005,179</u>	<u>14,070,360</u>

#### 13 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of £1 each	50,000	50,000	50,000	50,000
Ordinary B shares of £1 each	62	62	62	62
Ordinary C shares of £1 each	38	38	38	38
	<u>50,100</u>	<u>50,100</u>	<u>50,100</u>	<u>50,100</u>

#### 14 Ultimate controlling party

Internet Computer Bureau Limited is a 100% owned subsidiary of Identity Digital Limited (formerly Afilius Limited), a company incorporated in Ireland. The results of the company are included in the consolidated financial statements of Afilius Limited. The ultimate controlling party of the group is Beignet DTLD Holdings LLC, a company incorporated in the US.

# INTERNET COMPUTER BUREAU LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15 Cash absorbed by operations

	2022 £	2021 £
Profit for the year after tax	1,701,784	306,444
<b>Adjustments for:</b>		
Taxation charged	277,703	25,844
Investment income	(523,809)	(194,564)
<b>Movements in working capital:</b>		
Increase in debtors	(5,760,939)	(5,761,360)
Increase in creditors	6,924	271,793
Increase in deferred income	3,934,819	5,190,709
<b>Cash absorbed by operations</b>	<b>(363,518)</b>	<b>(161,134)</b>

#### 16 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	44,329	63,435	107,764