Marketing VF Limited

Annual Report & Financial Statements
For the year ended 31 March 2022

Registered Number 06951544

Contents

Strategic report

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

Principal Activity

Marketing VF Limited ("MVF") helps people navigate complex buying decisions and aspires to drive more sales globally than anyone else through introducing new customers to our clients.

Our customers are businesses or consumers looking for help with a complex buying decision, such as new software for their business. Our customers trust our proprietary brands to help them navigate these buying choices, through provision of relevant content and information for their buying decision, as well as introducing them to relevant providers of their desired product or service.

Our clients are the providers of these products and services, and we help them achieve their ambitious growth targets by providing them unrivalled volumes of new customers who are prepared and ready to buy.

We reach a huge universe of potential customers through a wide range of digital marketing channels and through MVF's own industry-leading brands. Our Platform generates prospective customers who are actively looking to make purchases in dozens of product and service categories and in over 50 countries.

MVF's focus on developing its proprietary technology and multi-channel marketing expertise allows clients an unparalleled reach into new markets and channels, delivering engaged customers in real-time to fuel sustainable and profitable growth for some of the world's most ambitious businesses.

Business Review

MVF achieved strong results in the year to March 2022 despite the continued impact of Covid-19. Total annual revenue increased by 27% year on year with revenue 11% higher than the year to March 2020 (pre-Covid impacts). MVF expects continued growth in the year ending March 2023. The increase in revenues led to an increase in gross profit of 18% year on year.

MVF generated EBITDA of £21.2m*, an increase of 8% year on year including continued investment in our talented workforce as well as opening of our new London office in April 2021. Operating profit increased by 39% to £12.7m (2021: £9.1m) and included £2.9m (2021: £3.8m) of amortisation of strategic investments in website assets alongside goodwill and other intangible assets.

In the prior year, MVF acquired a Dutch Digital Marketing and Publishing company. Their cutting-edge proprietary comparison tools give customers the opportunity to get tailored product recommendations in real time and applies a pay-per-click model to allow clients with online sales processes to leverage MVF's platform, in addition to our traditional pay-per-lead model. This aspect of our business has seen significant growth in the year.

The Company moved into a new office space at Wenlock Works in the heart of London's technology hub in Old Street in April 2021. We have designed and built a nurturing and inspiring environment in this office which enables an effective and collaborative working environment for all our employees, while also maintaining Covid safe systems and processes. The new office opened in April 2021.

Whilst there is global economic uncertainty, MVF expects client demand to remain resilient in the future and for clients to continue to rely on our services in helping them find new customers, with the business continuing to grow in the year to March 2023.

To support this growth, the parent company drew down a further £35m of the new bank loan facility which was used to redeem c.£35m of Loan Notes higher up in the group in order to achieve a lower cost of capital and drive improved shareholder value as the group grows.

The Group also continued to incentivise employees to deliver growth and shareholder value by granting further "F Shares" which participate in future returns of capital where the value exceeds a specified "hurdle".

**EBITDA is defined as "Earnings Before Interest, Tax, Depreciation & Amortisation" and is intended to represent MVF's underlying operational performance. To reflect the underlying operating activity, EBITDA also excludes certain non-operational items including costs associated with the wider MVF group's capital funding structure alongside gains/losses arising on foreign exchange transactions. EBITDA is calculated as Operating Profit £12.7m (2021: £9.1m), less foreign currency exchange gains of £0.3m (2021: plus foreign currency exchange losses of £1.2m), plus adding back non-operational costs of £4.6m (2021: £5.0m) and depreciation/amortisation of £4.2m (2021: £4.4m).*

Strategic report *(continued)*

Business Review *(continued)*

Technology platform development

MVF's technology platform is a key source of competitive advantage and scalability for MVF and is essential for delivering continued profit growth. This technology platform automates and optimises processes related to marketing and the efficient capture, qualification, and distribution of sales leads to clients. It also provides in-house analysts with rich data collected from marketing platforms and user activity from hundreds of thousands of new sales leads generated monthly.

The technology platform is proprietary to MVF and has been designed and developed entirely by MVF's directors and staff, who continue to advance it to meet business opportunities and the changing digital marketing landscape.

People and recruitment

MVF continues to focus on hiring the best talent, providing a world class culture and exceptional learning environment. In 2020, MVF was voted the Sunday Times 'Best Company to Work For' in the UK. MVF also won the top prize for learning and development; an award which recognised MVF's two Institute for Leadership and Management accredited training schemes - the Management Development Academy and the 'Mate to Manager' scheme - both of which train MVFers on how to grow and develop their teams. MVF also hosts an annual 'learning festival' called MVF Fest which sees people from across the business share expertise and pass on lessons to their colleagues.

Diversity and Inclusion:

MVF currently has three networks focused on creating an inclusive and supportive environment within the business - the Women's Network, LEEP (Lived Experiences of Ethnic People) and the LGBTQ+ network. All three groups have ambitious, measurable objectives which will ensure the Group continues to improve in providing an inclusive environment - their aims are wholeheartedly supported by the Board.

We also partner with School21 (a school in Stratford, London, for children from all backgrounds) through our LEEP network to deliver a practical developmental programme for the school. With the support of employee mentors and programme coordinators the students apply their learning throughout the programme by working on a practical project brief.

Social responsibility

MVF has a Corporate Social Responsibility ("CSR") Committee, the objectives of which are to foster the Group's relationship with the local community, to fundraise for external charities, and help to improve the Group internally, for example improving the Group's green policy.

MVF offers every full-time employee two days off each year to work with a registered charity of their choice, in opportunities organised either individually or by the CSR committee.

Through the Charities Aid Foundation, MVFers are able to donate a portion of their salary to the registered charity of their choice. Whatever amount they nominate is then matched by the Group, doubling their donation. MVF also matches employees' personal fundraising efforts towards a registered charity, up to the value of £500 per employee.

MVF has several networks which promote Diversity and Inclusion for all our employees, and each of our networks this year partnered with a Charity that aligns with their values and objectives.

As in previous years, at Christmas, instead of sending our clients gifts/hampers, we chose to make a donation to our partner charities and sent an ecard to all clients so they could see first-hand the valuable work they do and how the donation would be supporting charities over the festive period.

MVF strives to be a responsible business and positively impact the communities we're part of. To do this we've partnered with "Business in the Community", who help businesses to deliver change that is needed for society and the planet – focusing on the United Nations Sustainable Development Global Goals such as diversity & inclusion, sustainability, health & wellbeing and inclusive education.

Strategic report *(continued)*

MVF has an Environmental, Social and Governance ('ESG') policy which includes monitoring key performance indicators to provide the directors with greater visibility of relevant ESG matters.

Principal Risks & Uncertainties

1. Financial Risks

MVF's activities expose it to certain financial risks including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

- Credit risk. MVF's credit risk is attributable primarily to its trade receivables, which in the balance sheet are presented 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 recoverability. MVF maintains a credit policy and procedures and has no significant concentration of credit risk, with exposure spread over a large number of customers.
- Liquidity risk. In order to ensure that sufficient funds are available for operations and investment, MVF actively monitors and manages its cash balances. MVF's policy is to pay suppliers in accordance with agreed credit terms. Cash at year end was £21,783,000 (2021: £10,451,000). MVF was not overdrawn at any time during the year. The parent can draw upon a Revolving Credit Facility of £2,000,000, if required.
- Foreign exchange risk. MVF operates internationally and is exposed to foreign exchange risk relating primarily to US dollar and Euro receivables and payables. MVF actively monitors and manages its foreign currency exposures. During the year the parent drew down further agreed bank loans in a combination of Sterling, US dollar and Euro.
- Interest rate risk. Bank loans are SONIA or LIBOR-linked and hence an increase in prevailing interest rates would increase the interest payable under loan facilities. However, MVF has an Interest Rate Cap in place and so significant interest rate increases are therefore unlikely to have a material impact on MVF, and the directors continue to monitor this exposure.

2. Macro-Economic Outlook

The global response to the Covid-19 pandemic, as well as the war in Ukraine, and the wider economic downturn has had a wide ranging and significant impact on local and global economies, which is unpredictable. MVF expects digital advertising spend to remain resilient in the future and for clients to continue to rely on our services in helping them find new customers. In the short term, there could be further volatility, however, we expect both client and buyer demand to remain robust and MVF has sufficient cash reserves to manage any short-term impacts.

Section 172 statement

MVF is a values-led organisation and we expect everyone in the business, from new starter to board executive, to earn trust, inspire positivity and help others succeed. As such, the directors of MVF have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Making decisions in the long-term interests of the business while considering the impact on all stakeholders is not simple but MVF endeavours to consider a broad range of views and interests by engaging with representatives from across the business regularly and ensuring there is thorough and regular reporting covering financial and operational performance, non-financial KPIs, risk and ESG matters.

As is usual for a business of this size, authority for day to day running of the company is delegated to managers with regular and transparent reporting provided to the board in the form of papers, presentations and meetings.

MVF has a 'Business Conduct Committee' comprising several Executive Board members as well as representatives from relevant departments such as legal and PR, which is responsible for ensuring all of the business's actions are in the best interests of our stakeholders and in accordance with our 7 Business Conduct Principles.

Strategic Report *(continued)*

Section 172 statement (continued)

These principles are as follows:

1. Promote products and services that bring value to consumers and businesses, and provide our clients with informed and engaged customers
2. Be positive, truthful and fair in all our dealings with our users, clients, and other stakeholders
3. Partner with businesses that share our values and standards, and treat their customers and other stakeholders fairly and with respect
4. Produce content that is decent, honest and transparent, and provide accurate information that will enhance our users' experience
5. Respect and safeguard people's data and privacy
6. Positively foster the reputation of our business, MVFers, clients, customers, suppliers and other stakeholders
7. Prioritise our Business Conduct Principles over short-terms gains, and quickly acknowledge and correct our actions where we have failed to meet our standards

Relevant stakeholders are invited to join the committee meetings so that they can advocate for their interests and we are constantly reviewing who is invited to the sessions to ensure we are considering the interests of all relevant groups. For transparency, every decision made within the BCC is conveyed to the wider business in the form of a report published following the session.

By order of the board

Mike Winn

Michael Winn
Director

16 December 2022

1st & 2nd Floors
Wenlock Works
1a Shepherdess Walk
London, England
N1 7QE

Directors' report

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

Research and development

The company's technology platform is a key source of competitive advantage and scalability and is essential for delivering continued profit growth. This technology platform automates and optimises processes related to marketing and the efficient capture, qualification, and distribution of sales leads to clients. It also provides in-house analysts with rich data collected from marketing platforms and user activity from hundreds of thousands of new sales leads generated monthly.

The technology is proprietary and has been designed and developed entirely by the company. We continue to advance it to meet business opportunities and the changing digital marketing landscape.

Dividends

During the year to 31 March 2022 the Company paid no interim dividends (2021: £5,316 per share). The directors do not recommend that a final dividend is paid (2021: £nil).

Employees

MVF are an equal opportunities employer. We ensure that all job adverts and job descriptions contain a Diversity, Equity and Inclusion (DEI) statement encouraging all MVFers to respect, value and celebrate our differences, and commit to actions that ensure that we can be authentic at MVF, without limitations or barriers. We are committed to providing support and/or adjustments to those who may need them during employment. Candidates and employees are actively invited to speak with their Line Manager, Department DEI Ambassador, People Partner or our Health & Well-being Partner to raise any concerns or support requirements. We work closely with several external partners including Access to Work, Occupational Health and Zurich Rehabilitation services, who provide us with advice if reasonable adjustments are required. To date, we have not had any MVFers disclose physical disabilities but have offered significant support for employees who have raised mental health issues.

MVF run regular surveys to encourage feedback from all employees. The last survey held was in May 2022 and prior to that in September 2021. Action planning takes place after each survey to ensure that we demonstrate that we are actively listening to employees.

In addition to the engagement surveys, each department has a Mental Health First Aider and DEI Ambassador. We encourage the formation of employee led networks in order to bring employees with shared interests together to advance diversity, equity and Inclusion at MVF, whether as a member of a diverse community or an ally. MVF have three networks: LEEP (Lived Experience of Ethnic People), LGBTQ+ and Women's Network who engage with employees, solicit feedback and opinions, raise awareness and provide support.

MVF has 6 values which shape how we behave with each other, customers, clients and partners. As well as ensuring that all MVFers are regularly living our values through Manager and peer assessments, we celebrate individuals who are living the values through a monthly Values Award.

Each month, MVF hold a town hall meeting for all employees. A standing agenda item is communicating our Winning Aspiration and Strategic Choices, together with a Trading and Finance Update. Senior leaders share a trading update every other week via company communication channels and our CEO provides a wider video update to all MVFers on alternate weeks.

Our sales and contact centre teams receive commission as part of their role which is customary for similar roles. However, in addition, a number of employees are also incentivised with equity to drive value creation for the business.

Finally, each year, MVF hold a learning festival which supports sharing of progress, innovative ideas, celebration of wins, lessons learned from failures and engaging MVFers through awarding achievements.

Going concern

The Directors have considered the ongoing uncertainty due to the macro-economic outlook since the war in Ukraine as part of the Company's adoption of the going concern basis.

The Company continues to grow and generate strong cash flows and was not at risk of breaching its financial covenants in relation to its secured bank loans.

Directors' report *(continued)*

Going concern (continued)

The Board's forecasts, including severe downside scenarios, indicate that the Company will continue to generate cash to meet its financial obligations and there is significant headroom on the wider group's financial covenants in relation to its bank loans. Therefore, whilst there is wider economic uncertainty, the Directors are confident the Company will sustain profitability and cash flow and so believe it remains appropriate to prepare the financial statements on a going concern basis.

Events after the balance sheet date

On 3 October 2022, the Company completed the purchase of a UK company called Expert Reviews Holdings Limited for an initial consideration, including professional fees but prior to the finalisation of completion accounts of £11,272,000.

Directors

The directors who held office during the year were as follows:

M Teixeira

A Harkness

D Tobin

M Winn

Political contributions

The Company made no political donations and incurred no political expenditure during the year (2021: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Mike Winn

Michael Winn
Director

16 December 2022

1st & 2nd Floors
Wenlock Works
1a Shepherdess Walk
London, England
N1 7QE

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKETING VF LIMITED

Opinion

We have audited the financial statements of Marketing VF Limited ("the Company") for the year ended 31 March 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard· We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKETING VF LIMITED *(continued)*

As required by auditing standards and taking into our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of goodwill and intangible assets. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue recognition is formulaic and there is limited opportunity to fraudulently recognise revenue.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual cash postings.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and employment legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKETING VF LIMITED *(continued)*

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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;

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Richard Johnson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 19 December 2022

Statement of Income and Retained Earnings

for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	*2*	**124,846**	98,063
Cost of sales		**(68,084)**	(49,994)
Gross profit		**56,762**	48,069
Administrative expenses		**(43,152)**	(38,880)
Goodwill amortisation		**(936)**	(936)
Other operating income	*3*	**-**	850
Operating profit	*4*	**12,674**	9,103
Income from shares in group undertakings	*10*	**6**	-
Profit before taxation		**12,680**	9,103
Tax on profit	*7*	**(1,283)**	(1,823)
Profit for the financial year		**11,397**	7,280
Retained earnings brought forward		**22,131**	46,076
Dividends		**-**	(31,225)
Retained earnings carried forward		**33,528**	22,131

There was no other comprehensive income in the current year or previous year other than those stated above, therefore no separate statement of other comprehensive income has been presented.

All results derive from continuing operations.

The notes on pages 13 to 27 form part of these financial statements.

Balance Sheet
at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets					
Goodwill	8		117		1,053
Other intangible assets	8		4,681		4,219
			4,798		5,272
Tangible assets	9		6,966		7,960
Investments	10		1,945		1,945
			13,709		15,177
Current assets					
Debtors	11	32,507		17,053	
Cash at bank and in hand		21,783		10,451	
		54,290		27,504	
Creditors: amounts falling due within one year	12	(33,270)		(19,554)	
Net current assets			21,020		7,950
Total assets less current liabilities			34,729		23,127
Provisions for liabilities					
Deferred tax liability	13	(134)		(3)	
Other provisions	14	(978)		(904)	
			(1,112)		(907)
Net assets			33,617		22,220
Capital and reserves					
Called up share capital	16		6		6
Share premium	17		83		83
Profit and loss account	17		33,528		22,131
Shareholders' funds	17		33,617		22,220

The notes on pages 13 to 27 form part of these financial statements.

These financial statements were approved by the board of directors on 16 December 2022

and were signed on its behalf by:

Mike Winn

Michael Winn
Director

Company registered number: 06951544

Notes
(forming part of the financial statements)

1 Accounting policies

Marketing VF Limited (the "Company") is a Company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company has taken advantage of the exemption under FRS102.33.1A and will not disclose transactions between wholly owned subsidiaries and their parents.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Lock Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Lock Topco Limited are available to the public and may be obtained from 1st & 2nd Floors, Wenlock Works, 1a Shepherdess Walk, London, England, N1 7QE. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Lock Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the strategic report.

The Company continued to generate cash and the Lock Topco Limited Group ("the Group") was not at risk of breaching its financial covenants in relation to its secured bank loans. The Group has maintained a 12-month rolling forecast and a three-year strategic outlook. It also monitored the covenants in its facilities to manage the risk of potential breach. The Group expects to remain within covenants throughout the forecast period. In reaching this conclusion, the Directors have assessed the potential cash generation of the Group against a range of illustrative scenarios (including a severe but plausible outcome); and the Directors consider that the Group is well placed to successfully manage the actual and potential risks faced by the organisation including risks related to COVID-19 and the wider macro-economic outlook.

On the basis of their assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements and consider it appropriate to continue to adopt the going concern basis in preparing the financial statements of the Company. The Company meets its day to day working capital requirements through the active monitoring and management of the cash balance. Cash at year end was £21,783,000 (2021: £10,451,000) at the reporting date and the Parent has access to a Revolving Credit Facility of £2,000,000 (2021: £2,000,000) if required.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

1.5 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets (continued)

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.11 below.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements — 3 years or lease term
- Computer equipment — 3 years
- Office equipment — 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.6 Intangible assets, goodwill and negative goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Other development expenditure is recognised in the profit and loss account as an expense as incurred.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Domain names and websites — 3 years
- Software — 3 years

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Intangible assets, goodwill and negative goodwill (continued)

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 3 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.7 Employee benefits

Defined contribution plans and other long-term employee benefits

The Company operates a Personal Pension scheme which is a contract-based defined contribution scheme arranged by the Company and made up of a group of individual contracts between the employees and the pension provider. The assets of the scheme are therefore held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Share-based payments

The Group operates a share-based compensation plan, under which the Company receives services from employees as consideration for equity instruments of Lock Topco Limited. The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date for fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.9 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised at the point when qualified sales prospects are delivered to clients and, as required in certain contracts, when those prospects complete a purchase from the client.

1.10 Government grants

Government grants are credited to the profit and loss account in periods in which the related costs are incurred. Amounts recognised in the profit and loss are presented under the heading "Other operating income".

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

All of the Company's turnover was derived from the principal activity of customer generation.

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
By geographical market		
Asia Pacific	**6,785**	5,916
Europe	**39,456**	29,158
Latin America	**805**	1,143
Middle East	**2,826**	3,304
North America	**42,300**	34,732
United Kingdom	**32,674**	23,810
	124,846	98,063

3 Other operating income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Government grants	**-**	850
	-	850

The grants received in the prior year relate to the Government's Job Retention Scheme.

4 Expenses and auditor's remuneration

Included in profit are the following:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Depreciation of tangible fixed assets	**1,298**	630
Amortisation of intangible assets	**2,904**	3,807
Hire of other assets - operating leases	**2,434**	1,237
Foreign Currency Loss/(Gains)	**(259)**	1,170

Auditor's remuneration:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Audit of these financial statements	**36**	59

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Lock Topco Limited.

Notes *(continued)*

5 Directors' remuneration

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Directors' remuneration	**731**	582
Social security costs	**87**	74
Company contributions to defined contribution pension schemes	**22**	12
	840	668

The remuneration of the highest paid director was £227,000 (2021: £211,000), and company pension contributions of £7,000 (2021: £1,000) were made to a defined contribution scheme. No directors exercised share options or received further shares during the year.

	Number of directors	
	Year ended 31 March 2022	Year ended 31 March 2021
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	**4**	4

6 Staff numbers and costs

The employed by the Company (including directors) during the year was as follows:

	Number of employees	
	Year ended 31 March 2022	Year ended 31 March 2021
Administration	**50**	50
Operations	**424**	420
	474	470

The aggregate payroll costs of these persons charged to the profit and loss were as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Wages and salaries	**22,277**	21,729
Social security costs	**2,661**	2,544
Other pension costs	**618**	576
Share based payment (refer to note 15)	**40**	-
	25,596	24,849

Notes *(continued)*

7 Taxation

Total tax expense recognised in the profit and loss account

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Current tax		
Current tax on profit for the year	**1,399**	1,695
Adjustments in respect of prior periods	**(247)**	243
Total current tax	**1,152**	1,938
Deferred tax (see note 13)		
Origination/reversal of timing differences	**131**	(115)
Total deferred tax	**131**	(115)
Tax charge on profit	**1,283**	1,823

Factors affecting the tax charge for the current year

The current tax charge for the year is lower *(2021: higher)* than the standard rate of corporation tax in the UK 19% *(2021: 19%)*. The differences are explained below.

	2022 £000	2021 £000
Reconciliation of effective tax rate		
Profit before tax	**12,680**	9,103
Current tax at 19% *(2021: 19%)*	**2,409**	1,730
Effects of:		
Expenses not deductible for tax purposes	**384**	354
Fixed asset differences	**221**	(88)
Research and development relief	**(65)**	(57)
Group relief	**(1,457)**	(359)
Adjustments to tax charge in respect of previous periods	**(247)**	243
Other short-term timing differences	**38**	-
Total tax charge (see above)	**1,283**	1,823

Factors that may affect future current and total tax charges

The deferred tax asset at 31 March 2022 has been calculated at a rate of 19% (2021: 19%). In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge.

Notes *(continued)*

8 Intangible assets and goodwill

	Goodwill	Software	Domain names & websites	Brand	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	3,348	7,373	15,878	157	26,756
Additions	-	2,430	-	-	2,430
At end of year	**3,348**	**9,803**	**15,878**	**157**	**29,186**
Amortisation					
At start of year	**2,295**	**3,340**	**15,751**	**98**	**21,484**
Charged in year	936	1,789	126	53	2,904
At end of year	3,231	**5,129**	**15,877**	**151**	**24,388**
Net book value					
At 31 March 2022	**117**	**4,674**	**1**	**6**	**4,798**
At 31 March 2021	1,053	4,033	127	59	5,272

Amortisation and impairment charge

The amortisation charge is recognised within Administrative expenses in the profit and loss account.

Notes *(continued)*

9 Tangible fixed assets

	Leasehold improvements £000	Computer equipment £000	Office equipment £000	Total £000
Cost				
At beginning of year	8,329	1,002	599	9,930
Reclassification	(441)	197	244	-
Additions	116	143	62	321
Disposals	(482)	(1)	(232)	(715)
At end of year	7,522	1,341	673	9,536
Depreciation				
At beginning of year	456	937	577	1,970
Charge for year	1,043	136	119	1,298
Disposals	(465)	(1)	(232)	(698)
At end of year	1,034	1,072	464	2,570
Net book value				
At 31 March 2022	**6,488**	**269**	**209**	**6,966**
At 31 March 2021	7,873	65	22	7,960

Leasehold improvements include £978,000 (2021: £904,000) capitalised future reinstatement costs for the Group's leased premises (See note 14).

10 Investments

	Shares in group undertakings £000
Cost	
At beginning of year	1,973
Addition in year	-
At end of year	1,973
Impairment	
At beginning of year	28
Impairment in year	-
At end of year	28
Net book value	
At 31 March 2022	**1,945**
At 31 March 2021	1,945

Notes *(continued)*

10 Investments (continued)

The Company has investments in subsidiaries as follows:

Subsidiary undertaking	Principal activity	Country of incorporation
Software Vergeljiken B.V	Digital marketing and publishing	Netherlands
MVF US LLC	Sales services	USA
Think Ahead Advice Limited	Inactive	United Kingdom

The Company owns 100% of the ordinary share capital of each of the above subsidiaries.

The registered office for Software Vergeljiken B.V is Heresingel 4b, 9711 ES Groningen, Netherlands.
The registered office for MVF US LLC is 220 South Congress Avenue, Suite 010 Austin Texas 78704, United States.
The registered office for Think Ahead Advice Limited is Imperial Works, Perren Street, London, England, NW5 3ED.
During the year dividends of £6,000 were received from Think Ahead Advice Limited. Think Ahead Advice Limited was dissolved during the year.

The Company did not have a shareholding in any other companies.

11 Debtors

	2022	2021
	£000	£000
Trade debtors	**13,465**	11,523
Amounts owed by group undertakings	**15,442**	1,711
Other debtors	**944**	500
Prepayments and accrued income	**2,656**	3,319
	32,507	17,053

Amounts owed by group companies are repayable on demand and no interest is charged on these amounts.

12 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	**6,450**	9,089
Amounts owed to group undertakings	**10,242**	213
Taxation and social security	**1,739**	1,459
Corporation tax payable	**312**	1,025
Pension liability (refer to note 15)	**140**	195
Other creditors	**169**	182
Deferred consideration	**340**	341
Accruals and deferred income	**13,878**	7,050
	33,270	19,554

Amounts owed to group companies are repayable on demand and no interest is charged on these amounts.

Notes *(continued)*

13 Deferred tax

	2022 £000	2021 £000
Liability at beginning of year	**(3)**	(118)
Deferred tax (charge)/credit in the profit and loss account for the year	**(131)**	115
Liability at year end	**(134)**	(3)

The elements of deferred taxation are as follows:

	2022 £000	2021 £000
Accelerated capital allowances	**(145)**	(40)
Short term timing differences	**11**	37
	(134)	(3)

14 Other provisions

	Dilapidation provision £000	Total £000
Balance at 1 April 2021	904	**904**
Provisions made during the year	74	**74**
Balance at 31 March 2022	978	**978**

15 Employee benefits

Defined contribution pension scheme

The Company operates a Personal Pension scheme which is a contract-based defined contribution scheme arranged by the Company and made up of a group of individual contracts between the employees and the pension provider.

The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £618,000 (2021: £576,000).

Contributions amounting to £140,000 (2021: £195,000) were payable to the scheme and are included in creditors.

Share based payments

On 17th February 2022, Lock Topco Limited, the ultimate parent, issued equity settled F ("Growth") Shares to management and key employees. F shares entitle the holder to participate equally with other share classes in the excess value realised in the event of a sale or liquidity event of Lock Topco Limited above a hurdle linked to the value of Lock Topco Limited. To be able to participate in the equity of the company employees are required to be employed by the Company at the time of the liquidity event. There are no market-based conditions attached to the ownership of the shares. The shares were valued using a Black Scholes Merton simulation with the following inputs:

Notes *(continued)*

15 Employee benefits *(continued)*

F ("Growth") Shares

Key Valuation Model Inputs	
Subscription price £	£0.005
Expected volatility %	46.12%
Risk-free interest rate %	0.85%
Valuation model Output	
Fair value per F share £	£1.56

At each balance sheet date, the Group revises its estimate of the number of shares expected to vest upon the satisfied completion of the specific vesting conditions and the vesting period. A reconciliation of equity instrument movements over the year is shown below. The weighted average subscription price in both the current and prior year was £0.005.

The number of share awards are as follows:

	2022 Number of shares	2021 Number of shares
Outstanding at the beginning of the year	112,902	-
Granted during the year	20,046	127,526
Expired during the year	(2,687)	(14,624)
Outstanding at the end of the year	**130,261**	**112,902**

Lock Topco Limited's shares are not publicly traded and consequently the expected volatility has been estimated using the historic volatility of a basket of comparable listed companies.

The total expenses recognised for the year was £40,000 (2021: £107).

The Company is a member of a group share-based payment plan, and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The basis for reasonable allocation is the number of relevant employees and their holding of F Shares in each group company.

16 Capital and reserves

Share capital

	Ordinary shares No.
On issue at 1 April 2021	5,874
Issued for cash	-
On issue at 31 March 2022 – fully paid	**5,874**

	2022 £000	2021 £000
Allotted, called up and fully paid		
5,874 (2021: 5,874) Ordinary shares of £1 each	**6**	6

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes *(continued)*

17 Reconciliation of movement in shareholders' funds

	Share Capital £000	Share Premium £000	Profit and loss account £000	Total £000
At beginning of year	6	83	22,131	22,220
Profit for the year	-	-	11,397	11,397
At end of year	**6**	**83**	**33,528**	**33,617**

18 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2022 Land and buildings £000	2021 Land and buildings £000
Operating leases which expire:		
Less than one year	**2,474**	-
Between one and five years	**10,325**	10,217
More than five years	**8,066**	10,648
	20,865	20,865

During the year £2,434,000 was recognised as an expense in the profit and loss account in respect of operating leases (2021: £1,237,000).

On 16 January 2020, Marketing VF Limited entered into an agreement for a lease for office space in London (UK). The lease began on 14 May 2020 has a term of 15 years with a 10-year break clause.

19 Commitments

Bank loans of companies in the group headed by Lock Bidco Limited totalling £63,400,000 at 31 March 2022 (2021: £28,400,000) are secured by a fixed and floating charge over the assets of the Company.

20 Related parties

The Company has taken advantage of the exemption in Financial Reporting Standard FRS102.8.33.1A and not disclosed transactions or balances with entities which form part of the same Group.

21 Ultimate parent Company and parent undertaking

The Company is a subsidiary undertaking of Lock Bidco Limited. The ultimate controlling party is Lock Topco Limited, registered in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Lock Topco Limited, incorporated in United Kingdom. The smallest group in which they are consolidated is that headed by Lock Midco 2 Limited, incorporated in United Kingdom. The consolidated financial statements of these groups are available to the public and may be obtained from 1st & 2nd Floors, Wenlock Works, 1a Shepherdess Walk, London, England, N1 7QE.

Notes *(continued)*

22 Business Combinations

On 14 October 2020, the Company acquired all of the ordinary shares of a Dutch Digital Marketing and Publishing company called Software Vergeljiken B.V. for a consideration, including deferred consideration and professional fees, of £1,945,000. The Group acquired assets and liabilities as follows:

	£000
Intangible Fixed Assets	**331**
Debtors	**129**
Cash	**161**
Creditors	**(326)**

The acquisition created goodwill of £1,651,000 which is being amortised over 3 years. Software Vergeljiken B.V. contributed £3,910,000 and £1,163,000 (2021: £1,115,000 and £259,000) revenue and net profit respectively to the Group for the year ended 31 March 2022.

23 Events after the reporting period

On 3 October 2022, the Company completed the purchase of a UK company called Expert Reviews Holdings Limited for an initial consideration, including professional fees but prior to the finalisation of completion accounts of £11,272,000. Due to the proximity of the acquisition date to the date of approval of the financial statements, management have not yet assigned fair values to the assets and liabilities acquired.