

Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 December 2019  
for  
IMPROVE DIGITAL LIMITED

Alliotts LLP  
Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

Contents of the Financial Statements  
for the Year Ended 31 December 2019

|                                    | Page |
|------------------------------------|------|
| Company Information                | 1    |
| Report of the Directors            | 2    |
| Report of the Independent Auditors | 3    |
| Income Statement                   | 5    |
| Balance Sheet                      | 6    |
| Notes to the Financial Statements  | 7    |

IMPROVE DIGITAL LIMITED

Company Information  
for the Year Ended 31 December 2019

|                           |   |
|---------------------------|---|
| <b>Directors:</b>         | Mr S R V Moesman<br>Mr U Akpinar  |
| <b>Secretary:</b>         | Vistra Company Secretaries Limited  |
| <b>Registered office:</b> | 76 - 78 Charlotte Street<br>London<br>W1T 4QS                                       |
| <b>Registered number:</b> | 06974245 (England and Wales)  |
| <b>Auditors:</b>          | Alliotts LLP<br>Friary Court<br>13-21 High Street<br>Guildford<br>Surrey<br>GU1 3DL |

Report of the Directors  
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**Principal activity**

The principal activity of the company in the year under review was that of sales and marketing support to the parent company via a transfer pricing agreement.

**Review of business**

On 11th March 2020, the World Health Organisation raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to the level of international pandemic. The UK Government subsequently imposed a lockdown on public movements on the 23rd March 2020 for all but essential services in order to contain the spread of the virus in the UK.

Whilst COVID-19 presents a significant risk to global markets, the directors are of the opinion that the market in which the Company operates has had limited impact. The activities of the company consist of software development on behalf of Improve Digital BV (The Netherlands), that did unabated pursue its software development in 2020 and 2021.

**Directors**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Mr S R V Mocsman  
Mr U Akpinar

**Statement of directors' responsibilities**

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

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

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

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

**Statement as to disclosure of information to auditors**

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

**Auditors**

The auditors, Alliotts LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**On behalf of the board:**

Mr U Akpinar - Director

2 June 2021

### **Opinion**

We have audited the financial statements of Improve Digital Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of  
Improve Digital Limited

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

**Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

Christopher Cairns FCA (Senior Statutory Auditor)  
for and on behalf of Alliotts LLP  
Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

2 June 2021

Income Statement  
for the Year Ended 31 December 2019

| Notes  | 31/12/19<br>£               | 31/12/18<br>£              |
|--|-----------------------------|----------------------------|
| <b>TURNOVER</b>  | 680,123                     | 1,043,574                  |
| Administrative expenses                                | <u>(572,477)</u><br>107,646 | <u>(974,606)</u><br>68,968 |
| Other operating income                                 | <u>2,017</u>                | <u>1,755</u>               |
| <b>OPERATING PROFIT and<br/>PROFIT BEFORE TAXATION</b> | 109,663                     | 70,723                     |
| Tax on profit  | <u>(5,860)</u>              | <u>-</u>                   |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                   | <u>103,803</u>              | <u>70,723</u>              |

The notes form part of these financial statements

Balance Sheet  
31 December 2019

|  | Notes | 31/12/19<br>£    | 31/12/18<br>£    |
|--|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |
| Intangible assets                            | 6     | 828,792          | 812,692          |
| Tangible assets                              | 7     | <u>17,621</u>    | <u>20,198</u>    |
|  |       | <u>846,413</u>   | <u>832,890</u>   |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Debtors                                      | 8     | 31,820           | 69,358           |
| Cash at bank                                 |       | <u>15,625</u>    | <u>19,701</u>    |
|  |       | 47,445           | 89,059           |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due within one year          | 9     | <u>(590,195)</u> | <u>(722,089)</u> |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(542,750)</u> | <u>(633,030)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>303,663</u>   | <u>199,860</u>   |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |
| Called up share capital                      |       | 2                | 2                |
| Retained earnings                            |       | <u>303,661</u>   | <u>199,858</u>   |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>303,663</u>   | <u>199,860</u>   |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 2 June 2021 and were signed on its behalf by:

Mr U Akpınar - Director



Notes to the Financial Statements  
for the Year Ended 31 December 2019

1. **Statutory information**

Improve Digital Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

**Turnover**

Turnover represents expenses recharged to the Dutch holding company. During the year 100% of the company's turnover was derived from within Europe (2018: 100%).

**Tangible fixed assets**

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

Computer equipment - Straight line over 5 years

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group companies are initially recognised at transaction price.

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 initially recognised at transaction price.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 20192. **Accounting policies - continued****Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Research and development**

Development expenditure is deferred to the extent that its recovery can reasonably be regarded as assured. Such deferred development costs are amortised in five years.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. The foreign exchange rates used during the year are as follows:

Year end Euro to Sterling rate: £1 = €1.1668

**Intercompany loans**

Intercompany loans are measured at amortised cost. The interest charge is recognised systematically over the life of the loan and represents the present value of the future payments discounted at a market rate of interest.

**Financial instruments**

The entity's financial instruments include basic financial instruments and consist of trade and other debtors and trade and other creditors. Trade and other debtors are recognised initially at transaction price less 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. Trade and other creditors are also recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise of cash at bank.

3. **Employees and directors**

|                       | 31/12/19       | 31/12/18       |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 227,626        | 488,517        |
| Social security costs | 58,417         | 111,039        |
|                       | <u>286,043</u> | <u>599,556</u> |

The average number of employees during the year was as follows:

| 31/12/19 | 31/12/18  |
|----------|-----------|
| <u>7</u> | <u>14</u> |

4. **Operating profit**

The operating profit is stated after charging:

|                                | 31/12/19       | 31/12/18       |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Depreciation - owned assets    | 2,577          | 6,266          |
| Development costs amortisation | <u>198,118</u> | <u>234,515</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 December 20195. **Directors remuneration**

All director remuneration has been borne by the parent company as the directors are also directors of that company. The directors' services to the company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2018 and the year ended 31 December 2019.

6. **Intangible fixed assets**

|                       | Development costs<br>£ |
|-----------------------|------------------------|
| <b>Cost</b>           |                        |
| At 1 January 2019     | 1,791,200              |
| Additions             | 214,218                |
| At 31 December 2019   | <u>2,005,418</u>       |
| <b>Amortisation</b>   |                        |
| At 1 January 2019     | 978,508                |
| Amortisation for year | 198,118                |
| At 31 December 2019   | <u>1,176,626</u>       |
| <b>Net book value</b> |                        |
| At 31 December 2019   | <u>828,792</u>         |
| At 31 December 2018   | <u>812,692</u>         |

7. **Tangible fixed assets**

|   | Computer equipment<br>£ |
|---|-------------------------|
| <b>Cost</b>                               |                         |
| At 1 January 2019<br>and 31 December 2019 | <u>37,068</u>           |
| <b>Depreciation</b>                       |                         |
| At 1 January 2019                         | 16,870                  |
| Charge for year                           | 2,577                   |
| At 31 December 2019                       | <u>19,447</u>           |
| <b>Net book value</b>                     |                         |
| At 31 December 2019                       | <u>17,621</u>           |
| At 31 December 2018                       | <u>20,198</u>           |

8. **Debtors: amounts falling due within one year**

|             | 31/12/19<br>£ | 31/12/18<br>£ |
|-------------|---------------|---------------|
| VAT         | 1,518         | 947           |
| Prepayments | <u>30,302</u> | <u>68,411</u> |
|             | <u>31,820</u> | <u>69,358</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 December 20199. **Creditors: amounts falling due within one year**

|                                    | 31/12/19       | 31/12/18       |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Trade creditors                    | 29,516         | 15,766         |
| Amounts owed to group undertakings | 342,896        | 426,058        |
| Tax                                | 13,709         | 14,263         |
| Social security and other taxes    | 13,536         | 24,159         |
| Other creditors                    | 8,375          | 1,327          |
| Accruals and deferred income       | 154,701        | 160,950        |
| Accrued expenses                   | <u>27,462</u>  | <u>79,566</u>  |
|                                    | <u>590,195</u> | <u>722,089</u> |

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

10. **Related party disclosures**

Improve Digital B.V. is the smallest and largest group of undertakings for which group accounts are drawn up. The address of Improve Digital B.V. is 76-78 Charlotte Street, London W1T 4QS.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.