

Vimeo UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

Company Registration No. 08171540 (England and Wales)

Vimeo UK Limited

Company Information

Directors	G Munson	(Appointed 20 April 2022)
	J Tracy	(Appointed 13 February 2023)
Secretary	J Tracy	
Company number	08171540	
Registered office	Room 405 Highland House 165 The Broadway London SW19 1NE	
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP	

Vimeo UK Limited

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Statement of Financial Position

As at 31 December 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5	1,451,413		622,235	
Current assets					
Debtors	6	538,242		726,874	
Cash at bank and in hand		377,957		241,282	
		916,199		968,156	
Creditors: amounts falling due within one year	7	(822,057)		(616,527)	
Net current assets		94,142		351,629	
Net assets		1,545,555		973,864	
Capital and reserves					
Called up share capital	9	100		100	
Profit and loss reserves		1,545,455		973,764	
Total equity		1,545,555		973,864	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 21 September 2023 and are signed on its behalf by:

G Munson
Director

Company Registration No. 08171540

Vimeo UK Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2021	100	686,030	686,130
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	287,734	287,734
Balance at 31 December 2021	100	973,764	973,864
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	571,691	571,691
Balance at 31 December 2022	100	1,545,455	1,545,555

Vimeo UK Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Company information

Vimeo UK Limited is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is Room 405, Highland House, 165 The Broadway, London, SW19 1NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and in accordance with the Companies Act 2006.

The financial statements for the year ended 31 December 2020 were the first financial statements of Vimeo UK Limited prepared in accordance with FRS 101. The date of transition to FRS 101 was 1 January 2019.

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

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Vimeo, Inc., in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Vimeo, Inc. The group accounts of Vimeo, Inc. are available to the public and can be obtained as set out in note 13.

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.2 Going concern

The company made a profit for the year ended 31 December 2022 of £571,691 (2021:£287,734). Furthermore, the net assets and reserves of the company both increased from £973,864 as at 31 December 2021 to £1,545,555 as at 31 December 2022. The company's ultimate parent undertaking has undertaken to support the company for a period of at least one year from the date of approval of the financial statements and the company and group remain strongly cash positive. There is no reason to suggest that the company should not be operating as a going concern.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.4 Intangible assets other than goodwill

Intangible fixed assets other than goodwill are comprised of capitalised commission costs. These are stated at cost less accumulated amortisation and accumulated impairment losses.

Capitalised commission costs are amortised over the estimated length of a customer contract which is deemed to be 4.5 years, on a straight line basis.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The company has a capitalisation policy of \$5,000, in line with that of the parent company. Therefore, any assets purchased for less than this amount are not included as tangible fixed assets in the Statement of Financial Position.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	Straight line over 3 years
Computer equipment	Straight line over 3 years

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.8 Cash at bank and in hand

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

1.9 Financial assets

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

Loans and receivables

Trade Debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

Current tax

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

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the fair value of the assets at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, less any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Foreign exchange

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

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

2 Turnover

All turnover relates to management fees received from the immediate parent company.

	2022 £	2021 £
Turnover analysed by geographical market		
North America	11,004,356	5,517,022

3 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	6,291	3,457
Fees payable to the company's auditor for the audit of the company's financial statements	18,250	17,000
Amortisation of intangible assets	267,797	133,771

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 78 (2021:39).

5 Intangible fixed assets

	Capitalised commission costs £
Cost	
At 1 January 2022	781,999
Additions	1,096,975
At 31 December 2022	1,878,974
Amortisation and impairment	
At 1 January 2022	159,764
Charge for the year	267,797
At 31 December 2022	427,561
Carrying amount	
At 31 December 2022	1,451,413
At 31 December 2021	622,235

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

6 Debtors

	2022 £	2021 £
VAT recoverable	17,703	33,261
Amount owed by parent undertaking	308,478	538,850
Other debtors	122,150	117,750
Prepayments and accrued income	89,911	37,013
	<u>538,242</u>	<u>726,874</u>

7 Creditors

	Notes	2022 £	2021 £
Creditors	8	386,773	327,466
Taxation and social security		435,284	289,061
		<u>822,057</u>	<u>616,527</u>

8 Creditors

	2022 £	2021 £
Trade creditors	33,813	15,610
Accruals	352,960	311,856
	<u>386,773</u>	<u>327,466</u>

9 Share capital

	2022 £	2021 £
Ordinary share capital		
<i>Issued and fully paid</i>		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Vimeo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

10 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	191,910	75,991

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was John Staniforth and the auditor was Moore Kingston Smith LLP.

12 Related party transactions

Remuneration of key management personnel

The Directors of the company are considered to be the key management personnel. The Directors did not receive any remuneration in the year from Vimeo UK Limited, as they are remunerated by the Parent Company.

13 Parent company

The company is controlled by Vimeo.com, Inc., a company incorporated in the United States of America, by virtue of holding 100% of the issued shares.

The largest group of undertakings for which group accounts have been drawn up is that headed by Vimeo, Inc., a company incorporated in Delaware, USA. The registered office of the principal place of business for Vimeo, Inc. is 330 W 34th Street, New York, USA.

14 Events after the reporting date

There was an issue on 30 March 2023 of 2,300,000 of ordinary shares at a nominal value of £1 per share.

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.