

Registered number: 08825531

**Canva UK Operations Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2022**



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**Canva UK Operations Limited**

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**Canva UK Operations Limited**  
Registered number: 08825531

**Balance Sheet**  
**As at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	5	576,235	72,818
		<u>576,235</u>	<u>72,818</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	6,166,548	3,184,112
Debtors: amounts falling due after more than one year	6	414,915	259,498
Cash at bank and in hand		2,456,751	2,120,483
		<u>9,038,214</u>	<u>5,564,093</u>
Creditors: amounts falling due within one year	7	(6,166,936)	(2,401,197)
<b>Net current assets</b>		<u>2,871,278</u>	<u>3,162,896</u>
<b>Total assets less current liabilities</b>		<u>3,447,513</u>	<u>3,235,714</u>
Creditors: amounts falling due after more than one year	8	(156,272)	-
<b>Net assets</b>		<u><u>3,291,241</u></u>	<u><u>3,235,714</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	153	153
Share premium account	10	1,194,808	1,194,808
Share based payment reserve	11	3,399,583	1,555,898
Profit and loss account	10	(1,303,303)	484,855
<b>Total equity</b>		<u><u>3,291,241</u></u>	<u><u>3,235,714</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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**Canva UK Operations Limited**  
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**Balance Sheet (continued)**  
**As at 31 December 2022**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**D A E Clark**  
Director

Date: 20 Oct 2023

The notes on pages 3 to 12 form part of these financial statements.

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## Canva UK Operations Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 1. Company information

Canva UK Operations Limited is a private company limited by shares domiciled and incorporated in England and Wales. The registered number is 08825531, and the registered office is 33-35 Hoxton Square, London, N1 6NN, United Kingdom.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 pound (£).

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

##### 2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have evaluated all relevant conditions, events and information concluding that the Company will be able to fulfil all obligations as and when they fall due to the foreseeable future. The directors have reasonable expectation, based on their review of the cash at bank, trading forecasts and planned activities with other Canva group companies, that the Company has adequate resources to continue as a going concern.

##### 2.3 Tangible assets

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

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

###### Asset classes and depreciation rates

Leasehold improvements	- Over the term of the lease
Leasehold improvements under construction	- Not depreciated until completed
Fixtures and fittings	- Straight line - 5 years
Computer equipment	- Straight line - 3 years

During the current period, the Company has reviewed its estimates of useful lives and depreciation methods. These have been adjusted with no material impact to users.

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## Canva UK Operations Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2022

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## 2. Accounting policies (continued)

### 2.4 Impairment of tangible assets

At each reporting year end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

### 2.5 Financial instruments

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

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

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

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

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

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **Basic financial liabilities**

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

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

### 2.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs.

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Canva UK Operations Limited

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Notes to the Financial Statements  
For the Year Ended 31 December 2022

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**2. Accounting policies (continued)**

**2.7 Employee benefits**

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

The costs of long-term employee benefits are recognised as a liability and an expense, at the amount of future benefit that an employee has earned in return for their service in current and prior periods.

Consideration is given to expected future wage and salary level, experience of employee departures and periods of service. That benefit is discounted to determine its present value. Remeasurements of the net obligations are recognised in the statement of profit and loss and other comprehensive income in the period in which they arise.

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.

**2.8 Retirement benefits**

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

**2.9 Share-based payments**

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined based on advice from a valuation expert.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the *grant date fair value of the award, the best estimate of the number of awards that are likely to vest* and the expired portion of the vesting period. The amount recognised in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.9 Share-based payments (continued)**

*If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.*

*If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.*

**2.10 Leases**

*Rentals payable under operating leases, including 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 leases asset are consumed.*

**2.11 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.*

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

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

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

***Critical judgements***

*The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.*



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Notes to the Financial Statements  
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3. Judgements in applying accounting policies (continued)

***Fair value of share options granted***

As part of calculating the fair value of options at the grant date, management are required to make a number of judgements and estimates.

Management have exercised judgement in determining that the fair value of the share options granted during the year are commensurate to the share price of the parent company, Canva Inc. as at the date of issue of the options. Management have reached this conclusion based on the limited vesting conditions of the options granted and the exercise price being £nil.

Management of the parent company engaged a professional valuer to complete a valuation of the shares of the parent company at December 2021 and at September 2022. The professional valuer concluded on the valuation of the shares, at each of those dates, based on the use of both income-based and market-based valuation approaches. The price per share was adjusted for a lack of marketability in the shares in the parent company.

Where the grant date of options was not at the date of a professional valuation, management estimated the share price based on the most recent professional valuation, uplifted for the key metric for group performance being annual recurring turnover.

The share-based payment transactions relating to the share options are disclosed in note 11.

4. Employees

The average monthly number of people (including directors) employed by the Company during the year was 55 (2021 - 29).

Canva UK Operations Limited

Notes to the Financial Statements  
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5. Tangible assets

	Leasehold improvements £	Leasehold improvements under construction £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2022	-	-	11,656	95,641	107,297
Additions	186,903	25,700	161,081	187,349	561,033
Disposals	-	-	(11,043)	-	(11,043)
At 31 December 2022	186,903	25,700	161,694	282,990	657,287
<b>Depreciation</b>					
At 1 January 2022	-	-	3,251	31,228	34,479
Charge for the year on owned assets	10,236	-	6,659	32,452	49,347
Disposals	-	-	(2,774)	-	(2,774)
At 31 December 2022	10,236	-	7,136	63,680	81,052
<b>Net book value</b>					
At 31 December 2022	176,667	25,700	154,558	219,310	576,235
At 31 December 2021	-	-	8,405	64,413	72,818

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Notes to the Financial Statements  
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6. Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,893,046	1,031,437
Tax recoverable	23,025	23,025
Amounts owed by group undertakings	4,205,098	2,113,113
VAT repayable	28,618	-
Other debtors	16,761	16,537
	<u>6,166,548</u>	<u>3,184,112</u>
	2022 £	2021 £
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	<u>414,915</u>	<u>259,498</u>

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	20,365	2,262
Amounts owed to group undertakings	2,451,016	-
Other taxation and social security	19,955	65,870
Accruals and deferred income	3,675,600	2,333,047
Other creditors	-	18
	<u>6,166,936</u>	<u>2,401,197</u>

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Accruals	<u>156,272</u>	<u>-</u>

**Canva UK Operations Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**9. Called up share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
152,872 (2021 - 152,872) Ordinary shares of £0.001 each	152.872	152.872

**10. Reserves**

**Share premium account**

This reserve represents the premium on shares issued at a value that exceeds their nominal value.

**Share-based payments reserve**

Please see note 11.

**Profit and loss account**

This reserve represents cumulative profits and losses.

**11. Share-based payments**

	Weighted average exercise price £ 2022	Number 2022	Weighted average exercise price £ 2021	*Restated Number 2021
Outstanding at the beginning of the year	-	2,999	25.88	17,614
Granted	-	10,246	-	2,999
Forfeited	-	(191)	-	-
Exercised	-	-	25.88	(17,614)
Expired	-	-	-	-
<b>Outstanding at the end of the year</b>	-	13,054	-	2,999

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Notes to the Financial Statements  
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**11. Share-based payments (continued)**

The number of shares exercisable at 31 December 2022 were 1,558 (2021 - 858).

The weighted average exercise price at 31 December 2022 was £nil (2021 - £nil).

\*The closing number of options outstanding in 2021 was restated from 31,599, as the number of the shares relating to the acquisition was reversed out.

**EMI Scheme**

At 1 January 2021, the Company had an Enterprise Management Incentive (EMI) Scheme with equity-settled share options granted to certain employees in previous periods.

On 28 May 2021, all options under the EMI scheme were exercised. The weighted average exercise price of options in the EMI scheme at 28 May 2021 and 1 January 2022 was £25.88. No amounts have been recognised in the Profit and Loss Account in the year.

**Employee RSU Plan**

The parent company, Canva Inc., maintains the Employee RSU plan. Equity-settled share option awards were granted to employees of the Company under the Employee RSU plan on 24 March 2022, 22 July 2022, 21 October 2022, and 14 December 2022. In prior year, they were granted on 27 May 2021, 12 July 2021 and 7 December 2021.

The weighted average exercise price of options granted during the year was £nil (2021 - £nil). The vesting period of the options ranges from 1 month to 48 months. The options granted during the year have a total fair value at the grant date of £11,827,704 (2021 - £2,297,883). During the year, a share-based payment expense of £1,843,685 (2021 - £1,282,807) has been recognised in the Profit and Loss Account.

The options granted during the year do not include a number of options where the grant date occurs subsequent to year end, but where vesting has commenced at the Balance Sheet date based on the employees service commencement. The Company has used the vesting start date to estimate the grant date fair value. The total fair value of these options is £252,159 (2021 - £1,654,942). During the year, a share-based payment expense of £12,381 (2021 - £273,092) has been recognised in the Profit and Loss Account.

At the year end, the carried forward share-based payment reserve for these options is £3,399,583 (2021 - £1,555,898).

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**Canva UK Operations Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**12. Operating lease commitments**

At 31 December 2022, the Company had outstanding commitments for future minimum lease payments due under non-cancellable operating leases, as follows:

	2022 £	2021 £
Not later than 1 year	711,667	-
Later than 1 year and not later than 5 years	1,229,243	11,263
Later than 5 years	-	-
	<u>1,940,910</u>	<u>11,263</u>

**13. Related party transactions**

The Company has taken advantage of the exemptions conferred by Section 33 and has not disclosed related party transaction for wholly owned companies within the group.

**14. Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**15. Controlling party**

The parent company and ultimate controlling party are Canva Inc, a company Incorporated in the USA, with a registered office at 2140 S Dupont Hwy, Camden, Delaware 19934, USA.

**16. Auditor's 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 Alison Nayler BSc FCA.  
The auditor was Azets Audit Services.