Registered number: 03137929

LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Mr M A Blanche Mr L M Hetherington Mr T S A Lahtinen Mr A J P Bloor Mrs J R Holmes (appointed 27 January 2023) Mr M S A Hutty (resigned 27 January 2023) Mr K E J Lindqvist Mr R Petrie Mr N McRae Mr P Knook Mr M Holt Mr P R Stevens
Company secretary	Ms B Dube
Registered number	03137929
Registered office	Trinity Court Trinity Street, Priestgate Peterborough Cambridgeshire PE1 1DA
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ

LONDON INTERNET EXCHANGE LIMITED
(A Company Limited by Guarantee)

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LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The company is a membership organisation whose principal activity is to provide Internet Exchange Points for the mutual benefit of its members, to promote the interests of its members and to represent its members in matters of public interest.

LINX's reach is wide and in our services sector, we are a very significant player. We continue to attract new worldwide members who are based in Europe, the Middle East, Asia, Africa, the Americas and Australasia.

The London Internet Exchange is a group of five companies: London Internet Exchange Ltd (LINX) established in 1994, and London Internet Exchange Trading Ltd (LINX Trading) established in 2013, are the two UK companies in the group in respect of which audited accounts are filed at Companies House.

The group also comprises three overseas companies: LINX USA Inc and LINX America Inc registered in the United States. LINX USA was established in 2013 as the operational vehicle for LINX NoVA, our Internet exchange point in North Virginia, and LINX America was established in 2014 to support the promotion of LINX NoVA. The results of these companies are included in this consolidated report and accompanying financial statements.

LINX Kenya was established in 2022 as the operational vehicle for the LINX Nairobi Internet Exchange as announced in 2022. LINX Kenya is included in this consolidated report and accompanying financial statements.

This report therefore covers both LINX and the consolidation of the group as a whole. This report was approved by the board on and signed on its behalf.

Business review

The impact of the COVID pandemic affected work in early 2022, but as restrictions were lifted in early 2022 LINX staff returned to a hybrid working environment. Demand for Internet communications, which drives the need for the company's wholesale products, remains high with the company seeing new traffic peaks several times across all its operating platforms. Peak traffic grew from 6.571Tbps to 7.424Tbps during 2022. The pandemic had initially accelerated the need for bandwidth and interconnection services, which held up during the pandemic and even during the second half of 2022.

The outcome of 2022 demonstrates the directors' view is justified as connected capacity also continued to grow. In 2022 it grew as in previous years by 40% to 51.71Tbps (37Tbps in 2021). Performance metrics remained high with network availability over 99.998% across all services and member satisfaction and Net Promoter Scores being very positive.

Despite the high growth in edge capacity, sales fell slightly short of our budget estimates. The economic uncertainty in the second half of the year contributed to a slowdown in growth versus budget expectations. The introduction of the new pricing model and new intermediate step bandwidth services also contributed to budgeting and forecasting uncertainty as there was no historical data on which to base expectations. This was mitigated by lower costs which led to a better than budgeted result of a small surplus for the full year.

As we ended 2022, an increase in inflation, and the risk of a recession has led to considerable uncertainty in the market. The Internet and interconnection industry has since the mid-90s so far not seen a high-interest rate and recession environment, so the impact on service demand is hard to estimate. We believe that a conservative approach is justified in this situation and for 2023 we have for the first time in over 15 years not decreased prices across the board for 2023. We estimate that higher inflation will have a significant impact on staff costs, but also on our direct costs which among other things include electricity consumption where higher energy prices will have a negative impact.

Budgeting for 2023 and 2024 assumes a small deficit in 2023 and recovery to a small surplus in 2024, anticipating a break-even result over the two years. Management and the board will increase reforecasting cycles for 2023 to ensure corrective action can be taken early enough if needed throughout the year.

During 2022 LINX maintained both its ISO27001 and FSQS accreditations, both important for our ongoing security and compliance needs. Work on automation and member self-service also progressed during 2022, with the introduction of many new portal features allowing for members to directly configure and order services themselves without coordination or work of LINX staff. This enables a better member experience and customer journey as well as allowing for better scaling of services for LINX.

During 2022 we saw an increase in demand for 400G ports across several LANs. We further announced the agreement to expand the Managed IXP service we provide STC to include Riyadh and Dammam.

The start of 2023 has been in line with expected revenue. Due to increased inflation some direct costs have been higher than anticipated, but within a manageable level, with negative effects of around 1% of turnover for the first quarter. Some anticipated CAPEX spend has been shifted to earlier in 2023 leading CAPEX spend to be higher than expected, but this is also expected to raise revenue later in 2023.

Our available cash reserves at the end of 2022 were strong and at a similar level to 2021. We remain well placed to take advantage of future opportunities as well as meeting any challenging trading conditions.

Principal risks and uncertainties

The business regularly reviews a wide range of risk factors across all areas of the business. A comprehensive risk register, that encompasses both operational and financial risks, is regularly updated and discussed at a senior management level, and twice a year at board level.

The interconnection market remains very competitive, which also can be seen in the slowdown in new membership applications during the year. Our membership continued to grow with 67 new member applications received during 2022 (95 in 2021). Our membership totalled 891 at the end of the year (890 in 2021), and they were widespread across 80 countries.

Due to continued price pressure on peering port services and taking into account our 5% price reduction at the start of 2022, a sales campaign during the first half of the year as well as the uncertainty from the new pricing model, the port revenue budget came in 6% below budget. Port revenue makes up 78% of total revenue.

Providing excellent levels of service is an important factor in retaining existing and gaining new revenue streams. Our network availability and resilience remained very high and our close relationship with our members enabled us to satisfy their demands, with resulting positive feedback in our membership surveys.

During 2022 the impact from the shortage of components has had an effect on the wider telecom sector with increasing lead times for new equipment. We worked with our existing vendors to secure the supplies we need which means our projects were mostly not severely impacted. This primarily affects the expansion to any new sites, and to a lesser extent our ability to provision new customers at existing sites. We also brought a new vendor on board to ensure we had a wider choice. Planning is now also done on a longer horizon to ensure we can give detailed forecasts of our coming needs to our vendors which allows them to reserve equipment for us.

2022 saw a large rise in inflation with CPIH peaking at 9.6% in October. A high inflation rate affects our SG&A costs, but also our COGS as support contracts and power costs tend to be linked to inflation indexes. We have also seen other costs start to rise. LINX itself has not raised prices following the inflation rise, but instead, we have not followed our usual price cuts to ensure stability through this period. The OBR inflation forecast from December 2022 forecasted that inflation would peak in 2022 Q4 and that inflation would fall back at the end of the forecast period. While inflation started to fall in the beginning of 2023, February 2023 inflation again saw a rise indicating that inflation is still a risk and volatile. At the same time a more permanent rise in inflation might take pressure off pricing, but this is uncertain. Activities to reach greater economies of scale combined with forecasted growth will still see us generate a financial net surplus in current budgeting.

Financial key performance indicators

Containing the effects of rapidly rising inflation has been an objective and, in doing so, we are holding the 2023 prices for our services at 2022 levels. In addition, for certain targeted services, we have still been able to reduce prices.

For the benefit of our members, at the beginning of 2022 we introduced a restructured set of services. Without any past performance upon which to base our projections we were cautious in our estimated financial projections. In these circumstances, together with the general challenging economic backdrop, we are pleased to report a surplus of £282K which considerably exceeded our expectations.

With our plan of absorbing cost inflationary pressures, without increasing our prices, we expect 2023 to be a challenging year. We have decided to take into account the projected results for 2024 in our planning, and the anticipated deficit in 2023 is aimed at being absorbed by the positive results in 2024, giving an overall breakeven position.

The balancing of retaining a strong financial position, alongside a policy of holding our prices despite inflationary pressures, is becoming an increasing challenge and the directors pay close and regular attention to ongoing financial results. This approach is supported by the continuing increase in demand for our services, and our expanding membership who endorse this as an appropriate policy.

Future outlook

In March 2023 the LINX board adopted the 2023-2025 strategy. This is built on three pillars,

- Sustain
- Optimise
- Grow

Where **Sustain** sees us work to sustain the leadership position in the markets we operate in, but also to sustain the value in our core products for all members by increasing reach and sustaining the revenue levels.

Optimise is focused on gaining further economies of scale, and improved working capital usage. We expect to continue to invest in automation and tooling, including member facing self-service features in the portal. This will speed up service delivery and provide greater economies of scale.

As the interconnection market evolves, members have increasing needs of services in emerging adjacent markets and segments to where LINX operates today. These adjacent services are often very similar to what LINX provides today or could be built on LINX existing platforms. To ensure future relevance and value for members, LINX will, under the **Grow** pillar, further research how to best provide value in these markets for its members.

We expect to announce further partnerships for managed IXPs in 2023, as well as further build out our marketplace which allows member-to-member sale of services across the platforms. We further expect to expand the reach of our product portfolio and make more products available at the non-LINX IXPs. This will both widen LINX's interconnect offering and provide additional value for existing members and prospects.

Message from the Board

During 2022 the board, in the first months, spent time analyzing the case for LINX Nairobi, our first geographical expansion by ourselves in a few years. Understanding the risk in a new market, the route to market and the value creation for members was key to reaching a decision and the announcement of LINX Nairobi.

The start of the year also saw the UK, EU and the US introduce sanctions following the escalation of the Russian invasion of Ukraine. The sanctions have affected LINX and LINX members in a variety of ways throughout the year, and the board has discussed the course of action and ensured LINX remains compliant as the sanctions have evolved.

Rising inflation and the uncertainty about the impact on LINX led the board to implement more frequent analysis of financial performance as well as deeper analysis of the economic environment ahead of the 2023 budgeting.

The board proposed a change to the Articles and the MoU at the May AGM. This change provided two technical improvements. The first clarified who chairs the General Meetings, and the second provides for a power of temporary adjournment of the General Meeting. Both changes were approved by the members.

The May AGM also saw elections for two board seats where Neil McRae and Peter Stevens were re-elected to the board.

The board provides oversight of operations through the review of departmental roadmaps and company objectives that are reviewed throughout the year.

During 2022 the board held 11 board meetings.

Pieter Knook
Chairman

CORPORATE GOVERNANCE REPORT

As part of our commitment to deliver our strategy, maintain positive stakeholder engagement, and create long-term sustainable value for our members, the Board maintains the highest standards of corporate governance across the group.

How the Board Operates

The Board is comprised of an Independent Chairman, six Non-Executive Directors, the Chief Executive and three Executive Directors.

The Board is collectively responsible for ensuring leadership through effective oversight and review; and is accountable for the long-term success of the company. The Board sets the strategic direction and monitors management's performance against those objectives in a way that enables sustainable long-term growth, while maintaining a balanced approach to risk within a framework of prudent and effective controls. Our robust governance framework is also instrumental in ensuring our strategy is delivered successfully.

Board and Sub-committee Meetings

The Board meets formally on a regular basis, including a two-day annual strategy review session in the Spring. Additional ad-hoc meetings are also scheduled for the Board to consider and decide important emerging issues outside of the scheduled meetings. Additionally, and in line with the UK Corporate Governance Code, the Chairman holds meetings with the Non-Executive Directors before each Board meeting, without the Executive Directors present. Board meetings are structured to allow open discussions, where the Board considers business performance, strategic proposals, members' interests, and other matters relating to risk, corporate governance, culture and staff wellbeing.

Board Sub-Committees

The board operates three sub committees whose voting members consist of Non-Executive Directors. Executive Directors and individuals from the relevant business areas are invited to attend the meetings where appropriate. At each Board meeting, the Chairs of the sub committees provide updates to the Board, summarising key discussions and decisions taken, and/or presenting proposals requiring final Board approval.

Finance, Risk and Security Sub-committee (FRS)
The role of the FRS continues to be to deliver oversight of external audit as well as the prudence of financial reporting and controls operating within. Additionally, the FRS reviews the effectiveness of LINX's internal risk management processes and controls to ensure that these respond appropriately to developments, regulatory demands, and external risks.

The Company Secretary acts as Secretary of the Committee. Other key invitees include the CEO, CFO, Director of Legal & Policy, Finance Manager and Treasury & Finance Systems Development Manager.

Governance Sub-committee (Govco)
The Govco continues to ensure that the Board is effective in discharging its responsibilities and in having oversight of all matters relating to corporate governance. It oversees the company's governance arrangements (processes and documents) on behalf of the Board to ensure they are in line with best practice. This includes reviewing matters for consultation with the members, including proposed resolutions.

The Company Secretary acts as Secretary of the Committee. Other key invitees include the CEO and Director of Legal & Policy.

Remuneration Sub-committee (Remco)
The Remco recommends remuneration structures and policies to the Board, that enable LINX to meet its strategic and operational targets. In doing so it reviews and proposes performance measurement mechanisms, pension contributions, pay policy, bonus opportunity, employment terms, etc.

Each year Remco reviews and approves the specific remuneration, terms and performance of senior staff including the CEO, for its relevance and appropriateness. ‘Senior staff’ means any member of the Senior Management Team, a key employee, or any employee with a full-time equivalent base salary exceeding £95,000 gross annual salary, before any salary sacrifice. This threshold is increased every year based on CPIH.

The Company Secretary acts as Secretary of the Committee. Other key invitees include the CEO and HR Manager.

Board and Committee meetings attendance during 2022

The following table shows the number of Board and sub-committee meetings held in 2022, including ad-hoc meetings held.

	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Board	●		● ●	●	●		●	●	●	●	●	●
FRS	●		●				●		●	●		
Govco	●			●		●						●
Remco							●		●		●	

● Scheduled meeting
● Ad-hoc meeting

The table below details the Board and sub-committee meeting attendance during 2022. The number of attendances is shown next to the maximum number of meetings the Board member was entitled to attend.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

NAME	BOARD	FRS	GOVCO	REMCO
Chairman & Non Executive Directors				
Pieter Knook	11/11	5/5	-	3/3
Mike Blanche	10/11	-	4/4	3/3
Seb Lahtinen	10/11	-	4/4	3/3
Neil McRae	10/11	2/2[1]	1/2[2]	-
Pete Stevens	11/11	5/5	2/4	-
Lee Hetherington	4/11[3]	-	3/4[4]	1/3[5]
Alex Bloor	9/11	5/5	-	3/3
Executive Directors				
Kurtis Lindqvist	11/11	5/5	4/4	3/3
Malcolm Hutty	11/11	5/5	4/4	-
Malcolm Holt	10/11	5/5	-	-
Richard Petrie	9/11	-	-	-

Note:
1. Stepped down from FRS on 31 May 2022.
2. Joined Govco 1 June 2022.

3/4/5. Absences were due to NED relocating, and being in a different timezone. NED continued to receive meeting papers in advance of the meeting and have the opportunity to provide input to meeting Chairs prior to meetings, and receive briefings post meeting.

This report therefore covers both LINX and the consolidation of the group as a whole. This report was approved by the board on 18 April 2023 and signed on its behalf.

Kurt Erik Lindqvist

K Lindqvist (Apr 21, 2023, 3:28pm)

Mr K E J Lindqvist
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Directors

The directors who served during the year were:

Mr M A Blanche
Mr L M Hetherington
Mr T S A Lahtinen
Mr A J P Bloor
Mr M S A Hutty (resigned 27 January 2023)
Mr K E J Lindqvist
Mr R Petrie
Mr N McRae
Mr P Knook
Mr M Holt
Mr P R Stevens

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the surplus or deficit of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The surplus for the year, after taxation, amounted to £282,840 (2021 - £1,787,979).

Future developments

Future developments are covered in the Strategic Report.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 April 2023 and signed on its behalf.

Kurt Erik Lindqvist

....
K Lindqvist (Apr 21, 2023, 3:28pm)
Mr K E J Lindqvist
Director

Opinion

We have audited the financial statements of London Internet Exchange Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's surplus 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent 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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and industry regulations including GDPR, employment law and health and safety.
We communicated the identified laws and regulations with the audit team and remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

-agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiries of management including those responsible for key regulations;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Paul Cullen FCCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

27 April 2023

LONDON INTERNET EXCHANGE LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	16,815,998	16,635,214
Cost of sales		(4,654,241)	(4,005,713)
Gross surplus		12,161,757	12,629,501
Administrative expenses		(11,920,309)	(10,767,959)
Other operating income	5	-	3,375
Operating surplus	6	241,448	1,864,917
Interest receivable and similar income	10	92,265	9,468
Surplus before tax		333,713	1,874,385
Tax on surplus	11	(50,873)	(86,406)
Surplus after tax		282,840	1,787,979
Retained earnings at the beginning of the year		14,547,891	12,759,912
		14,547,891	12,759,912
Surplus for the year attributable to the owners of the parent		282,840	1,787,979
Retained earnings at the end of the year		14,830,731	14,547,891
Non-controlling interest at the end of the year			

The notes on pages 20 to 34 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER:03137929

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible fixed assets			4,529,613		4,010,862
Fixed asset investments			103,200		103,723
			4,632,813		4,114,585
Current assets					
Debtors: amounts falling due within one year	14	3,319,686		3,220,963	
Cash at bank and in hand	15	9,360,919		9,694,661	
		12,680,605		12,915,624	
Creditors: amounts falling due within one year	16	(2,520,906)		(2,465,306)	
Net current assets			10,159,699		10,450,318
Total assets less current liabilities			14,792,512		14,564,903
Provisions for liabilities					
Net assets			14,792,512		14,564,903
Capital and reserves					
Foreign exchange reserve	18		(38,219)		17,012
Profit and loss account	18		14,830,731		14,547,891
Equity attributable to owners of the parent Company			14,792,512		14,564,903
			14,792,512		14,564,903

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

18 April 2023

Kurt Erik Lindqvist

K Lindqvist (Apr 21, 2023, 3:28pm)

Mr K E J Lindqvist
Director

The notes on pages 20 to 34 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER:03137929

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible fixed assets			4,167,460		3,896,982
Fixed asset investments			103,201		103,724
			4,270,661		4,000,706
Current assets					
Debtors: amounts falling due within one year	14	4,469,385		4,142,887	
Cash at bank and in hand	15	8,902,120		9,100,020	
		13,371,505		13,242,907	
Creditors: amounts falling due within one year	16	(2,361,900)		(2,264,856)	
Net current assets			11,009,605		10,978,051
Total assets less current liabilities			15,280,266		14,978,757
Net assets			15,280,266		14,978,757
Capital and reserves					
Profit and loss account brought forward		14,978,757		13,221,912	
Surplus for the year		301,509		1,756,845	
Profit and loss account carried forward			15,280,266		14,978,757
			15,280,266		14,978,757

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

18 April 2023

Kurt Erik Lindqvist

K Lindqvist (Apr 21, 2023, 3:28pm)

Mr K E J Lindqvist
Director

The notes on pages 20 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	11,958	12,759,912	12,771,870
Comprehensive income for the year			
Surplus for the year	-	1,787,979	1,787,979
Currency translation differences	5,054	-	5,054
Total comprehensive income for the year	5,054	1,787,979	1,793,033
At 1 January 2022	17,012	14,547,891	14,564,903
Comprehensive income for the year			
Surplus for the year	-	282,840	282,840
Currency translation differences	(55,231)	-	(55,231)
Total comprehensive income for the year	(55,231)	282,840	227,609
At 31 December 2022	(38,219)	14,830,731	14,792,512

The notes on pages 20 to 34 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Profit and loss account	Total equity
	£	£
At 1 January 2021	13,221,912	13,221,912
Comprehensive income for the year		
Surplus for the year	1,756,845	1,756,845
Total comprehensive income for the year	1,756,845	1,756,845
At 1 January 2022	14,978,757	14,978,757
Comprehensive income for the year		
Surplus for the year	301,509	301,509
Total comprehensive income for the year	301,509	301,509
At 31 December 2022	15,280,266	15,280,266

The notes on pages 20 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Surplus for the financial year	282,840	1,787,979
Adjustments for:		
Depreciation of tangible assets	2,363,716	1,995,372
Bank interest receivable	(92,265)	(9,468)
Taxation charge	50,873	86,406
(Increase) in debtors	(98,722)	(270,482)
Increase in creditors	38,717	844,380
Corporation tax (paid)	(88,699)	(77,696)
Net cash generated from operating activities	2,456,460	4,356,491
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,882,467)	(2,571,858)
Purchase of unlisted and other investments	-	(103,723)
Bank interest receivable	92,265	9,468
Net cash from investing activities	(2,790,202)	(2,666,113)
Net (decrease)/increase in cash and cash equivalents	(333,742)	1,690,378
Cash and cash equivalents at beginning of year	9,694,661	8,004,283
Cash and cash equivalents at the end of year	9,360,919	9,694,661
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,360,919	9,694,661
	9,360,919	9,694,661

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

London Internet Exchange Limited is a private company limited by guarantee, incorporated in England and Wales. Its registered office is Trinity Court, Trinity Street, Peterborough, PE1 1DA.

The company is a membership organisation whose principal activities are to provide Internet Exchange points for the mutual benefit of members, to promote the interests of members and to represent members in matters of public interest.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The directors have considered a period of at least twelve months from approval of these financial statements in their assessment. The directors consider that the short-term financial impact on LINX's business is likely to be minimal and the resources available to the company will be sufficient for it to be able to continue as a going concern.

Accordingly the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the company was not able to continue as a going concern.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 5 years straight line
Plant and machinery	- 3-4 years straight line
Computer equipment	- 2-4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price.

2. Accounting policies (continued)

2.16 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Income and Retained Earnings.

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

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors have adopted a prudent view and consider the depreciation of fixed assets and accruals to be a critical estimate and judgement applicable to the financial statements.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the group. The analysis of income provided has been derived from the Group's accounting records and as such represents the invoicing address of the member. Were income to be analysed based on the operating location of the members it would provide an alternate analysis which would be in line with the continued global expansion referred to in the Strategic Report.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	9,827,283	9,688,504
Rest of Europe	3,276,439	3,391,058
Rest of the world	3,712,276	3,555,652
	16,815,998	16,635,214

5. Other operating income

	2022 £	2021 £
CJRS income	-	3,375

During the year ended 31 December 2022 the Group received £Nil under the UK Government's Coronavirus Job Retention Scheme.

6. Operating surplus

The operating surplus is stated after charging:

	2022 £	2021 £
Exchange differences	(373,893)	21,924
Other operating lease rentals	458,503	441,849

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	13,500	10,800
The auditing of accounts of associates of the group pursuant to legislation	6,475	5,150
Accountancy services	3,000	2,400
Taxation compliance services	2,025	1,650

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	5,380,756	5,176,523	5,380,756	5,158,427
Social security costs	642,951	624,359	642,951	622,380
Cost of defined contribution scheme	444,512	409,464	444,512	404,136
	6,468,219	6,210,346	6,468,219	6,184,943

The senior management team and executive directors are considered to be key management personnel. Total remuneration in respect of these individuals is £1,304,864 (2021: £1,113,850).

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administrative staff	62	61	62	61
Management staff	6	6	6	6
	68	67	68	67

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,137,476	955,096
Group contributions to defined contribution pension schemes	61,571	62,341
	1,199,047	1,017,437

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £264,398 (2021 - £258,243).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,248 (2021 - £19,167).

10. Interest receivable

	2022 £	2021 £
Other interest receivable	92,265	9,468
	92,265	9,468

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on surplus for the year	16,514	1,988
	16,514	1,988
Foreign tax		
Foreign tax on income for the year	34,359	84,418
Total current tax	50,873	86,406
Deferred tax		
Total deferred tax	-	-
Taxation on surplus on ordinary activities	50,873	86,406

Factors affecting tax charge for the year

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

	2022 £	2021 £
Surplus on ordinary activities before tax	333,713	1,874,385
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	50,873	356,133
Effects of:		
Amounts not subject to corporation tax	-	(269,727)
Total tax charge for the year	50,873	86,406

11. Taxation (continued)

Factors that may affect future tax charges

In March 2021, the UK Government proposed that the main rate of corporation tax would increase from 19% to 25% with effect from 1 April 2023. The Finance Bill was substantively enacted on 24 May 2021. No adjustments have been considered necessary to reflect these changes.

12. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 January 2022	798,385	26,706,695	784,411	28,289,491
Additions	17,591	2,769,917	94,959	2,882,467
At 31 December 2022	815,976	29,476,612	879,370	31,171,958
Depreciation				
At 1 January 2022	781,805	22,832,969	663,855	24,278,629
Charge for the year on owned assets	7,096	2,158,278	198,342	2,363,716
At 31 December 2022	788,901	24,991,247	862,197	26,642,345
Net book value				
At 31 December 2022	27,075	4,485,365	17,173	4,529,613
At 31 December 2021	16,580	3,873,726	120,556	4,010,862

12. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 January 2022	798,385	26,257,394	784,411	27,840,190
Additions	17,591	2,432,594	94,959	2,545,144
At 31 December 2022	815,976	28,689,988	879,370	30,385,334
Depreciation				
At 1 January 2022	781,805	22,497,548	663,855	23,943,208
Charge for the year on owned assets	7,096	2,069,228	198,342	2,274,666
At 31 December 2022	788,901	24,566,776	862,197	26,217,874
Net book value				
At 31 December 2022	27,075	4,123,212	17,173	4,167,460
At 31 December 2021	16,580	3,759,846	120,556	3,896,982

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Land and buildings	-	16,580
	-	16,580

13. Fixed asset investments

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 January 2022	1	103,723	103,724
Disposals	-	(523)	(523)
At 31 December 2022	1	103,200	103,201

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	**Class of shares**	**Holding**
London Internet Exchange Trading Limited	Ordinary	100%
LINX USA Incorporated *	Ordinary	100%
LINX America Incorporated *	Ordinary	100%
LINX (Internet Exchange) Kenya Limited *	Ordinary	100%

* % holding held indirectly by London Internet Exchange Limited.

The balances and transactions of LINX USA Incorporated have been included in the consolidated financial statements by virtue of the fact that the sole member of LINX USA Incorporated is the company's wholly owned subsidiary, London Internet Exchange Trading Limited. It is therefore deemed to be under the control of the group. LINX America is a wholly owned subsidiary of London Internet Exchange Trading Limited.
LINX (Internet Exchange) Kenya Limited was incorporated in the year and is a wholly owned subsidiary of London Internet Exchange Trading Limited.

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
London Internet Exchange Trading Limited	(98,876)	23,149
LINX USA Incorporated *	132,419	39,221
LINX America Incorporated *	(184,207)	(8,779)
LINX (Internet Exchange) Kenya Limited *	(82,552)	(83,221)

14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	310,698	337,489	252,992	174,112
Amounts owed by group undertakings	-	-	1,402,517	1,215,395
Other debtors	168,147	200,303	149,805	203,920
Prepayments and accrued income	2,840,841	2,683,171	2,664,071	2,549,460
	3,319,686	3,220,963	4,469,385	4,142,887

15. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	9,360,919	9,694,661	8,902,120	9,100,020
	9,360,919	9,694,661	8,902,120	9,100,020

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	580,855	532,940	569,730	481,151
Corporation tax	22,715	5,832	21,577	3,814
Other taxation and social security	-	4,721	-	4,721
Other creditors	56,858	55,128	46,578	45,938
Accruals and deferred income	1,860,478	1,866,685	1,724,015	1,729,232
	2,520,906	2,465,306	2,361,900	2,264,856

17. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	9,360,919	9,694,661	8,902,120	9,100,020
Financial assets that are debt instruments measured at amortised cost	478,845	537,792	1,805,314	1,593,427
	9,839,764	10,232,453	10,707,434	10,693,447
Financial liabilities				
Financial liabilities measured at amortised cost	2,498,191	2,454,753	2,340,323	2,256,321

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

18. Reserves

Foreign exchange reserve

Represents accumulated foreign exchange differences arising from the consolidation of wholly owned foreign subsidiaries during the period and prior periods.

Profit and loss account

The company's sole reserve is the income and expenditure account, this represents accumulated comprehensive surplus of the year and prior periods.

19. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	9,694,661	(333,742)	9,360,919
	-	-	-
	9,694,661	(333,742)	9,360,919

20. Company status

The members' liability is limited. Every member of the group undertakes to contribute to the assets of the group in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payments of the debts and liabilities of the group contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such and for the amount as may be required not exceeding one pound.

21. Capital commitments

At 31 December 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Contracted for but not provided in these financial statements	(205,321)	(364,093)	(205,321)	(364,093)

22. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £444,512 (2021 - £409,464). Contributions totalling £Nil (2021 - £Nil) were payable to the fund at the balance sheet date.

23. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	461,970	661,664	461,970	661,664
Later than 1 year and not later than 5 years	435,618	129,672	435,618	129,672
	897,588	791,336	897,588	791,336

24. Related party transactions

During the year transactions took place with Mythic Beasts Limited, a company in which director Mr P R Stevens has a significant interest. Purchases from Mythic Beasts Limited totalled £3,439 (2021 - £3,104). Sales to Mythic Beasts Limited totalled £9,616 (2021 - £10,441). At the balance sheet date there were amounts of £239 (2021 - £287) payable to Mythic Beasts Limited.

During the year transactions took place with Netconnex Broadband Limited, a company in which director Mr T S A Lahtinen has a significant interest. Sales to Netconnex Broadband Limited totalled £8,013 (2021: £7,772). At the balance sheet date there was £Nil (2021 £Nil) due from Netconnex Broadband Limited.