Registered number: 03137929

LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

LONDON INTERNET EXCHANGE LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Mr M A Blanche Mr L M Hetherington (resigned 17 May 2023) Mr T S A Lahtinen (resigned 17 May 2023) Mr A J P Bloor Mrs J R Holmes (appointed 27 January 2023) Mr S E Glendinning (appointed 17 May 2023) Mr S A Lockhart (appointed 17 May 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	One Advisory Limited
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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GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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, and LINX (Internet Exchange) Kenya Limited, registered in Kenya. 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.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

CEO Report (Business Review)

Following the years of the COVID pandemic where we saw an increase in demand for Internet communications, which drives the need for the company’s wholesale products, the demand remains high. The company saw new traffic peaks several times across all its operating platforms in 2023. Peak traffic grew from 7.424Tbps to 9.229Tbps during 2023.

Internet traffic and interconnection growth remains high and while there was considerable uncertainty in how the higher inflation and interest rates would affect network investment and consumer demand, demand seems to have been stable.

The outcome of 2023 demonstrates the directors’ view is justified as connected capacity also continued to grow. In 2023 it grew as in previous years by 21% to 62.96Tbps (51.71Tbps in 2022). Unfortunately, LON1 and LON2 platforms didn’t quite meet the ambitious internal availability target of 99.998%; LON1 achieved 99.996% availability, and LON2 99.997%. The shortfall was due to several outages at our datacentre partners that affected the platforms and had limited overall impact on our members. Other performance metrics remained high with member satisfaction and Net Promoter Scores being very positive. During the year we also started publishing the member feedback in interaction with the various parts of LINX both internally and at member meetings twice a year.

In response to the rising inflation at the end of 2022, the board decided to hold prices for 2023 static, as the inflation created pressure upon on our costs. Keeping our prices static still represented a real term price cut for our members. Perhaps because of this, total sales in 2023 were slightly higher than budget. In our core peering platform services, 100GE port revenue exceeded budget, although we also experienced lower than expected revenue from 10GE ports as members upgraded to the higher speed ports faster than anticipated. Cost of Goods Sold (COGS) was slightly higher than budget. This category is mainly made up by datacentre, fibre and support contract costs, and the increase reflects higher than anticipated energy costs at the start of 2023 as well as negative impact from inflation on support contract costs. Sales, General & Administration (SG&A) costs were also marginally higher than budget, and depreciation was slightly below budget. Overall, the net result was a small surplus against a budgeted small deficit for the full year.

Towards the end of 2023 and at the time of writing in early 2024, the economic outlook does look brighter, and inflation has come down significantly since the end of 2022. Energy prices also seem to have stabilized and lowered since the peaks after the expanded Russian war on Ukraine in early 2022. Despite this, there are still some significant uncertainties in the economy. Interest rates remain high, which contributes to general economic uncertainty, and holds back industry investments. Currently inflation is further running at higher than target in most of the economies of our members. As previously mentioned, in 2023 we responded to this by holding our prices stable; this was the first time in 15 years that we did not apply a broadly based price reduction. In budgeting for 2024 we decided again to hold prices steady as a reasonably conservative approach given the continued uncertainty in the economy. Our forward budget for 2025 assumes we will resume price cuts but this might change, as might the price model.

The coming budget period of 2024 and 2025 projects a small surplus in 2024 which then rises to a larger surplus in 2025. Management conducts a number of forecasts throughout the year, including the budgeting process which provides a granular view of how the market and economy is expected to affect performance. These reviews allow management to plan and execute corrective actions if needed as the economy develops.

LINX continues to maintain both its ISO27001 and FSQS accreditations, which both support our ongoing security and compliance needs, and providing assurance to members. We have continued to deliver additional automation and self-service throughout 2023 with all port-based services now being available for ordering and management through our portal. This provides considerable value for members that can now themselves provision services at the time they want and need, bringing a considerably better customer experience and journey. The ongoing development of our automation also allows us to scale further with modest investments.

400GE continued to see demand during 2023 and for 2024 we expect to see this increase even further as the lower CAPEX costs for 400GE capacity will attract more networks to support their bandwidth growth in the transition to 400GE. We also expect to see the transition from 10GE to 100GE continue in 2024, with more members moving across the technologies. At the end of 2023 we saw LINX Nairobi become operational and receive the first orders.

We started 2024 with revenue and costs on target. For 2023, CAPEX was marginally over budget, but with some shift towards the very end of 2023 from 2024.

Cash reserves at the end of 2023 were at similar levels to 2022 and within our reserves policy.

Principal risks and uncertainties

The business regularly reviews a wide range of risk factors across all areas of the business. We maintain a comprehensive risk register, that encompasses operational, financial, governance and reputational risks, providing visibility of both our changing environment and the risk mitigations we rely upon. This is regularly updated and discussed at a senior management level, and twice a year at board level.

The interconnection market remains very competitive. Nonetheless we continue to receive new membership applications, with 71 new member applications received during 2023 (67 in 2022). Our membership totalled 880 at the end of the year (891 in 2022), and they were widespread across 80 countries. The slowdown in growth of membership numbers seems to be mirrored across the industry, which we attribute to increased competition and consolidations following the economic environment.

The component shortage seen in 2022 eased off in 2023 and our supply chains returned to more normal delivery times. At the same time, we took steps with our suppliers to ensure we had adequate access to supplies for our planned growth and replacement projects.

2023 continued to see inflation above target, with CPIH at 8.8% in January falling to 4.2% in December. A high CPIH affects SG&A as well as COGS with higher support and power contracts, as these tend to be linked to inflation. The OBR March 2024 forecast expects CPI inflation to fall to an average of 2.2% in 2024 and 1.5% in 2025. This will take cost pressure off our operations combined with energy prices becoming more stable, and we hope to be able to return to price cuts in 2025. Activities to reach greater economies of scale combined with forecasted growth will help us generate a modest financial net surplus based on current forecasts.

Financial key performance indicators

Despite the UK economy facing a continuing challenge from inflationary pressures, we exceeded our budgeted income levels with growth exceeding 10%, compared with the previous year. Taking into account the backdrop, the income from our core services was a good result.

Our costs increased in line with expectations and the net result of a small surplus was better than the small deficit we envisaged as we entered 2023.

Maintaining a strong financial position, whilst not increasing our prices in an inflationary economy, continues to be an area of key focus for management; throughout the year the directors keep our financial results under close review. We have exercised tight financial controls and the results during the year have been in-line with our planned targets.

Our approach towards balancing our prices against the increasing costs of our business operations is supported by the continuing increase in demand for our services and new membership applications. This approach, together with our healthy level of liquidity, provides the directors with confidence for our future.

Future outlook

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

- Sustain
- Optimise
- Grow

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 economy 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 platforms in the future, as well as further build out in 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.

Kurt Erik Lindqvist
CEO

Message from the Board

In March 2023 the board approved a new three-year strategy, setting out the three strategic pillars of Sustain, Optimise and Grow as described in the Future outlook. The board also reviewed a number of business initiatives such as the upgrade and expansion of the LINX NoVA platform.

The board continued to be closely involved in reviewing financial performance, in analysing the likely impact of the economic climate on business performance, and in reviewing our responses to external factors.

Following on from the continued uncertainty in the economic environment, the board decided to propose to members, who approved in November 2023, for the 2024 budget to hold prices stable as inflation still affects LINX's costs. With current inflation levels this still means real-term price cuts on our services.

The board proposed, and in May 2023 the membership endorsed, a change to the Memorandum of Understanding, which broadened the scope of eligibility for LINX membership by allowing companies to join without consuming the public peering service. This opens LINX membership up to new members most interested in other LINX services, such as Cloud Interconnection. Some further amendments were adopted in November 2023, to give effect to the intentions behind this change.

We welcome Simon Lockhart and Steve Glendinning who were elected to the board at the AGM in May 2023.

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

During 2023 the board held 10 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 reviewed every year, taking into account 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 2023

The following table shows the number of Board and sub-committee meetings held in 2023, including ad-hoc meetings held.

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Board	●		●	●	●		●		●	● ●	●	●
FRS				●					●	●		
GovCo	●			●			●		●			●
RemCo							●		●	●	●	●

● Scheduled meeting ● Ad-hoc meeting

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

The table below details the Board and sub-committee meeting attendance during 2023. The number of attendances is shown next to the maximum number of meetings the Board member was invited to attend.

Director	Position	Board Meetings	FRS Sub-Committee Meetings	Remuneration Sub-Committee Meetings	Governance Sub-Committee Meetings
Pieter Knook	Chair of Board	10/10	3/3	4/5	-
Kurtis Lindqvist	Chief Executive Officer	10/10	-	-	-
Malcolm Holt	Chief Financial Officer	9/10	-	-	-
Jennifer Holmes[1]	Chief Commercial Officer	8/9	-	-	-
Richard Petrie	Chief Technology Officer	9/10	-	-	-
Mike Blanche	Non-Executive Director	9/10	-	-	-
Alex Bloor	Non-Executive Director	10/10	-	5/5	4/5
Steve Glendinning[2]	Non-Executive Director	7/7	2/2	-	-
Simon Lockhart[3]	Non-Executive Director	7/7	-	5/5	2/3
Neil McRae	Non-Executive Director	7/10	-	-	3/5
Pete Stevens	Non-Executive Director	10/10	3/3	-	5/5
Malcolm Hutty[4]	Director, Legal and Policy	1/1	-	-	-
Lee Hetherington[5]	Non-Executive Director	1/3	-	-	0/2
Seb Lahtinen[6]	Non-Executive Director	3/3	-	-	2/2

[1]Jennifer Holmes was appointed to the Board on 27 January 2023
[2] Steve Glendinning was appointed to the Board on 17 May 2023
[3]Simon Lockhart was appointed to the Board on 17 May 2023
[4]Malcolm Hutty stepped down as a Board director on 27 January 2023
[5]Lee Hetherington stepped down as a Non-Executive Director on 17 May 2023
[6]Seb Lahtinen stepped down as a Non-Executive Director on 17 May 2023

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

This report therefore covers both LINX and the consolidation of the group as a whole. This report was approved by the board on 16 Apr 2024 and signed on its behalf.

Kurt Erik Lindqvist
Kurtis Lindqvist (Apr 17, 2024, 10:18am)

Mr K E J Lindqvist
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors

The directors who served during the year were:

Mr M A Blanche
Mr L M Hetherington (resigned 17 May 2023)
Mr T S A Lahtinen (resigned 17 May 2023)
Mr A J P Bloor
Mrs J R Holmes (appointed 27 January 2023)
Mr S E Glendinning (appointed 17 May 2023)
Mr S A Lockhart (appointed 17 May 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

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

The surplus for the year, after taxation, amounted to £135,343 (2022 - £282,840).

Future developments

Future developments are covered in the Strategic Report.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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 16 Apr 2024 and signed on its behalf.

Kurt Erik Lindqvist

Kurtis Lindqvist (Apr 17, 2024, 10:18am)

....
Mr K E J Lindqvist
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED

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 2023, which comprise the Consolidated Statement of Income and Retained Earnings, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 2023 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED (CONTINUED)

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 9, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED (CONTINUED)

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;

-review of board minutes in the year.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED (CONTINUED)

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

17 April 2024

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	4	19,042,581	16,815,998
Cost of sales		(5,406,774)	(4,654,241)
Gross surplus		13,635,807	12,161,757
Administrative expenses		(13,609,991)	(11,920,309)
Operating surplus	5	25,816	241,448
Interest receivable and similar income	9	263,285	92,265
Surplus before tax		289,101	333,713
Tax on surplus	10	(153,758)	(50,873)
Surplus after tax		135,343	282,840
Retained earnings at the beginning of the year		14,830,731	14,547,891
		14,830,731	14,547,891
Surplus for the year attributable to the owners of the parent		135,343	282,840
Retained earnings at the end of the year		14,966,074	14,830,731

The notes on pages 21 to 37 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 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible fixed assets	11		5,344,310		4,529,613
Fixed asset investments	12		102,711		103,200
			5,447,021		4,632,813
Current assets					
Debtors: amounts falling due within one year	13	4,257,554		3,319,686	
Cash at bank and in hand	14	9,823,044		9,360,919	
		14,080,598		12,680,605	
Creditors: amounts falling due within one year	15	(4,554,956)		(2,520,906)	
Net current assets			9,525,642		10,159,699
Total assets less current liabilities			14,972,663		14,792,512
Net assets			14,972,663		14,792,512
Capital and reserves					
Foreign exchange reserve	17		6,589		(38,219)
Profit and loss account	17		14,966,074		14,830,731
Equity attributable to owners of the parent Company			14,972,663		14,792,512
			14,972,663		14,792,512

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 April 2024.

Mr K E J Lindqvist
Director

The notes on pages 21 to 37 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 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible fixed assets	11		4,593,670		4,167,460
Fixed asset investments	12		102,712		103,201
			4,696,382		4,270,661
Current assets					
Debtors: amounts falling due within one year	13	5,469,433		4,469,385	
Cash at bank and in hand	14	9,451,442		8,902,120	
		14,920,875		13,371,505	
Creditors: amounts falling due within one year	15	(4,261,175)		(2,361,900)	
Net current assets			10,659,700		11,009,605
Total assets less current liabilities			15,356,082		15,280,266
Net assets			15,356,082		15,280,266
Capital and reserves					
Profit and loss account brought forward		15,280,266		14,978,757	
Surplus for the year		75,816		301,509	
Profit and loss account carried forward	17		15,356,082		15,280,266
			15,356,082		15,280,266

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 April 2024.

Mr K E J Lindqvist
Director

The notes on pages 21 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£
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 1 January 2023	(38,219)	14,830,731	14,792,512
Comprehensive income for the year			
Surplus for the year	-	135,343	135,343
Currency translation differences	44,808	-	44,808
Total comprehensive income for the year	44,808	135,343	180,151
At 31 December 2023	6,589	14,966,074	14,972,663

The notes on pages 21 to 37 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Profit and loss account	Total equity
	£	£
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 1 January 2023	15,280,266	15,280,266
Comprehensive income for the year		
Surplus for the year	75,816	75,816
Total comprehensive income for the year	75,816	75,816
At 31 December 2023	15,356,082	15,356,082

The notes on pages 21 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Surplus for the financial year	135,343	282,840
Adjustments for:		
Depreciation of tangible assets	2,230,646	2,363,716
Bank interest receivable	(263,285)	(92,265)
Taxation charge	153,758	50,873
(Increase) in debtors	(937,868)	(98,722)
Increase in creditors	1,963,775	38,717
Corporation tax (paid)	(83,483)	(88,699)
Foreign exchange	45,297	-
Net cash generated from operating activities	3,244,183	2,456,460
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,045,343)	(2,882,467)
Bank interest receivable	263,285	92,265
Net cash from investing activities	(2,782,058)	(2,790,202)
Net increase/(decrease) in cash and cash equivalents	462,125	(333,742)
Cash and cash equivalents at beginning of year	9,360,919	9,694,661
Cash and cash equivalents at the end of year	9,823,044	9,360,919
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,823,044	9,360,919
	9,823,044	9,360,919

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 Interest income

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

2.8 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.

2.9 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.

2.10 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 Group 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.

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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	- 1-4 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.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 Debtors

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

2.13 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.

2.14 Creditors

Short term creditors are measured at the transaction price.

2. Accounting policies (continued)

2.15 Financial instruments

The Group has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in

2. Accounting policies (continued)

2.15 Financial instruments (continued)

the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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:

	2023 £	2022 £
United Kingdom	11,406,324	9,827,283
Rest of Europe	3,869,422	3,276,439
Rest of the world	3,766,835	3,712,276
	19,042,581	16,815,998

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Operating surplus

The operating surplus is stated after charging:

	2023 £	2022 £
Exchange differences	32,606	(373,893)
Other operating lease rentals	467,827	458,503

6. Auditors' remuneration

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

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	18,000	13,500
Accountancy services	3,500	3,000
The auditing of accounts of associates of the group pursuant to legislation	8,625	6,475
Taxation compliance services	2,375	2,025

7. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	6,016,708	5,380,756	6,016,708	5,380,756
Social security costs	684,493	642,951	684,493	642,951
Cost of defined contribution scheme	517,255	444,512	517,255	444,512
	7,218,456	6,468,219	7,218,456	6,468,219

The senior management team and executive directors are considered to be key management personnel. Total remuneration in respect of these individuals is £1,391,752 (2022: £1,304,864).

The average monthly number of employees, including the directors and excluding non-executive directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Administrative staff	62	62	62	62
Management staff	7	6	7	6
	69	68	69	68

The average number of non-executive directors during the year was 7 (2022: 7).

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,201,069	1,137,476
Group contributions to defined contribution pension schemes	74,510	61,571
	1,275,579	1,199,047

During the year retirement benefits were accruing to 5 directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £248,296 (2022 - £239,575).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £26,216 (2022 - £20,248).

9. Interest receivable

	2023 £	2022 £
Other interest receivable	263,285	92,265
	263,285	92,265

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on surplus for the year	100,719	16,514
	100,719	16,514
Foreign tax		
Foreign tax on income for the year	53,039	34,359
Total current tax	153,758	50,873
Deferred tax		
Total deferred tax	-	-
Taxation on surplus on ordinary activities	153,758	50,873

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Surplus on ordinary activities before tax	289,101	333,713
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	67,939	50,873
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32,780	-
Overseas tax	53,039	-
Total tax charge for the year	153,758	50,873

11. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 January 2023	815,976	29,476,612	879,370	31,171,958
Additions	2,203	2,970,770	72,370	3,045,343
At 31 December 2023	818,179	32,447,382	951,740	34,217,301
Depreciation				
At 1 January 2023	788,901	24,991,247	862,197	26,642,345
Charge for the year	8,022	2,141,438	81,186	2,230,646
At 31 December 2023	796,923	27,132,685	943,383	28,872,991
Net book value				
At 31 December 2023	21,256	5,314,697	8,357	5,344,310
At 31 December 2022	27,075	4,485,365	17,173	4,529,613

11. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 January 2023	815,976	28,689,988	879,370	30,385,334
Additions	2,203	2,490,679	72,370	2,565,252
At 31 December 2023	818,179	31,180,667	951,740	32,950,586
Depreciation				
At 1 January 2023	788,901	24,566,776	862,197	26,217,874
Charge for the year	8,022	2,049,834	81,186	2,139,042
At 31 December 2023	796,923	26,616,610	943,383	28,356,916
Net book value				
At 31 December 2023	21,256	4,564,057	8,357	4,593,670
At 31 December 2022	27,075	4,123,212	17,173	4,167,460

12. Fixed asset investments

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2023	1	103,200	103,201
Revaluations	-	(489)	(489)
At 31 December 2023	1	102,711	102,712

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 through London Internet Exchange Trading 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 is a wholly owned subsidiary of London Internet Exchange Trading Limited.

The aggregate of the share capital and reserves as at 31 December 2023 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	1,230	100,912
LINX USA Incorporated *	(106,194)	10,845
LINX America Incorporated *	(193,139)	(18,059)
LINX (Internet Exchange) Kenya Limited *	(99,176)	(34,167)

13. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	1,209,853	310,698	1,109,260	252,992
Amounts owed by group undertakings	-	-	1,720,705	1,402,517
Other debtors	244,026	168,147	212,610	149,805
Prepayments and accrued income	2,803,675	2,840,841	2,426,858	2,664,071
	4,257,554	3,319,686	5,469,433	4,469,385

14. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	9,823,044	9,360,919	9,451,442	8,902,120
	9,823,044	9,360,919	9,451,442	8,902,120

15. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	2,582,529	580,855	2,500,897	569,730
Corporation tax	92,990	22,715	65,621	21,577
Other taxation and social security	3,554	-	3,554	-
Other creditors	23,819	56,858	14,049	46,578
Accruals and deferred income	1,852,064	1,860,478	1,677,054	1,724,015
	4,554,956	2,520,906	4,261,175	2,361,900

16. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	9,925,755	9,464,119	9,554,153	9,005,320
Financial assets measured at amortised cost	1,453,879	478,845	3,042,575	1,805,314
	11,379,634	9,942,964	12,596,728	10,810,634
Financial liabilities				
Financial liabilities measured at amortised cost	4,458,412	2,498,191	4,192,000	2,340,323

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

Financial assets 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.

17. 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.

18. Analysis of net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	9,360,919	462,125	9,823,044
	-	-	-
	9,360,919	462,125	9,823,044

19. Group status

The members' liability is limited. Every member of London Internet Exchange Limited 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.

20. Capital commitments

At 31 December 2023 the Group and Company had capital commitments as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Contracted for but not provided in these financial statements	839,534	205,321	839,534	205,321

21. 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 £517,255 (2022 - £444,512). Contributions totalling £Nil (2022 - £Nil) were payable to the fund at the balance sheet date.

22. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	429,878	461,970	429,878	461,970
Later than 1 year and not later than 5 years	5,740	435,618	5,740	435,618
	435,618	897,588	435,618	897,588

23. 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 £2,388 (2022 - £2,388). Sales to Mythic Beasts Limited totalled £7,613 (2022 - £9,616). At the balance sheet date there were amounts of £Nil (2022 - £239) payable to Mythic Beasts Limited.

During the year transactions took place with Bogons Limited, a company in which director Mr S A Lockhart has a significant interest. Sales to Bogons Limited totalled £1,920 (2022 - £2,863). At the balance sheet date there were amounts of £Nil (2022 - £Nil) due from/to Bogons Limited.

During the year transactions took place with Brsk ISP Limited, a company in which director Mr S E Glendinning has a significant interest. Sales to Brsk ISP Limited totalled £21,083 (2022 - £7,890). At the balance sheet date there were amounts of £Nil (2022 - £Nil) due from/to Brsk ISP Limited.

During the year transactions took place with Infinity Developments Limited, a company in which director Mr S E Glendinning has a significant interest. Sales to Infinity Developments Limited totalled £6,365 (2022 - £5,808). At the balance sheet date there were amounts of £Nil (2022 - £Nil) due from/to Infinity Developments Limited.