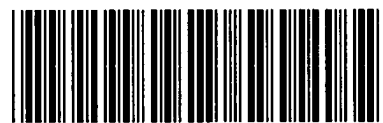


DatingDirect.com Limited

Strategic Report, Directors' Report and Financial Statements

Year ended 31 December 2019

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for the year ended 31 December 2019

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Company information

Directors

P Eigenmann

J Sine

A Willis

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Bankers

JP Morgan

25 Bank Street

Canary Wharf

London E14 5JP

Registered Office

C/O Skadden

40 Bank Street

Canary Wharf

London E14 5DS

Strategic report

Principal activities

The principal activity of the company is the provision of online dating services.

The business consists primarily of DatingDirect.com and related brands. These services offer single adults a private and convenient environment for meeting other singles through their respective websites, as well as through other affiliated networks.

DatingDirect.com provides users with access to other users' personal profiles and also enables a user interested in meeting another user to send e-mail messages to that user. E-mail recipients respond depending on their interest in the sender. It is free to post a profile on DatingDirect.com and to use any of the searching and matching tools available on the site. DatingDirect.com charges a subscription fee to users who wish to initiate or respond to an email from another member, starting with a single month term, with discounts for longer term subscription.

Review of the business

In August 2019, the Company received payment for an intercompany loan receivable of €204,258 from Match.com Foreign Holdings Limited ("MFH").

The key financial and other performance indicators during the year were as follows:

	2019	2018	Change
	£000	£000	%
Turnover	447	507	(12)%
Operating profit on ordinary activities before taxation	1,052	1,199	(12)%
Equity share holders' funds	23,824	22,800	4 %

Turnover and operating profit on ordinary has decreased as a result of a decrease in average subscribers in the United Kingdom.

Operating profit before taxation decreased as a result of the decrease in membership revenue.

Principal risks and uncertainties

The Company is reliant upon its ability to attract users to its websites, encourage such users to register on its website and ultimately to convert these registered users to subscribing members. This is contingent on the effectiveness of on-line and off-line advertising, the quality of the company's websites and applications, and the Company's ability to maintain productive relationships with its affiliate networks. No assurances can be provided that the Company will continue to be able to effectively attract registered users to their websites and applications and convert such registered users to subscribing members. Failure to do so would adversely affect the Company's business, financial condition and results of operations. The subsidiaries manage this risk by monitoring site performance on an ongoing basis, providing a range of value added services to its subscribers and providing excellent customer service.

The Directors have reviewed the potential implications associated with the pending departure of the United Kingdom from the European Union and do not believe there to be any risks to the operations of the Company.

Impacts of Brexit

At regular intervals since the referendum in 2016, the company has identified business risks arising from the UK's exit from the European Union. Based on what the company knows to date and given many continuing uncertainties surrounding Brexit, the company believes that it has mitigated the identified risks as best it can in the circumstances. Management has reviewed the likely staffing impacts, software requirements and tax reporting requirements used in the company's operations and have appropriately addressed this risks to the extent possible.

Strategic report (continued)

Impacts of the Coronavirus

In January 2020, an outbreak of a new strain of Coronavirus, COVID-19, was identified. The virus has spread globally including the UK and Europe and the World Health Organisation (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments, including the UK government, have imposed restrictions to reduce the risk of further spread of the disease – closing borders, ordering home quarantine, and cancelling public events. The company is a provider of online dating services and has continued to provide these services subsequent to the year end, however the company has seen a decline in the number of subscribers impacting revenue as a result of the pandemic. Whilst it is expected that the unprecedented situation will be temporary, there could be a long period of business interruption during which the revenues, profitability, and cashflows of the company could be negatively impacted.

Therefore as part of the ongoing monitoring management have identified the COVID-19 outbreak as a risk that could cause significant disruption to the company. Match Group, Inc., the ultimate parent company, has fared well through the pandemic with group revenues and operating income increasing from comparable periods a year prior. Match Group, Inc. reporting operating cash flow of over \$500 million for the nine months ended September, 30, 2020 along with global cash on hand of approximately \$400 million. The company is dependent on continued support from the ultimate parent company, referred to further in the going concern statement.

Ultimate Parent Company

On 30 June 2020 the companies formerly known as Match Group, Inc. (referred to as “Former Match Group”) and IAC/InterActiveCorp (referred to as “Former IAC”) completed the separation of Former Match Group from IAC through a series of transactions that resulted in two, separate public companies —(1) Match Group, Inc., which consists of the businesses of Former Match Group and certain financing subsidiaries previously owned by Former IAC, and (2) IAC/InterActiveCorp, formerly known as IAC Holdings, Inc. (“IAC”), consisting of Former IAC’s businesses other than Match Group (the “Separation”). After the Separation, the Company’s ultimate parent is Match Group, Inc.

ON BEHALF OF THE BOARD:

DocuSigned by:



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P. Eigenmann

Director

Date: 21 December 2020

Directors' report

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

Results and dividends

The net profit for the year ended 31 December 2019 after taxation amounted to 1,024,000 (2018: 1,200,000). No dividends were distributed for the year ended 31 December 2019.

Directors and their interests

The current directors are shown on page 1.

Going concern

The ultimate parent company, Match Group, Inc. has agreed to provide continued support to the company for the foreseeable future to meet its obligations as and when they fall due, for a minimum period of 12 months from the date of approval of these financial statements to the extent that the company is unable to meet its liabilities.

Match Group, Inc. released its Q3 2020 results on 5 November 2020, which included increases in revenue and operating income over the comparable prior year period, operating cash flow of over \$500 million for the nine months ended 30 September 2020, and cash on hand of approximately \$400 million. Based on this information and on enquiries, the Directors believe that the Ultimate parent company, Match Group, Inc. has the ability to provide financial support to the Company for the foreseeable future.


Taking into account the position of the ultimate parent company, and their assessment of the impact on the Company summarised in the post balance sheet events in the strategic report, the Directors are of the view, to the best of their knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD:

DocuSigned by:


865E318F7FA3485

P. Eigenmann

Director

Date: 21 December 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

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

Independent auditors' report

to the members of DatingDirect.com Limited

Opinion

We have audited the financial statements of Dating Direct Limited for the year ended 31 December 2019 which comprise the Income Statement, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - subsequent event COVID-19 pandemic

We draw attention to the Strategic Report and note 15 of the financial statements, which describe the financial and operational disruption the company is facing as a result of COVID-19 which is impacting consumer demand. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Independent auditors' report (continued)

to the members of DatingDirect.com Limited

We have nothing to report in this regard.

Opinion on other matter 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 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 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 light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 financial statements.

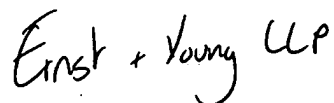
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditors' report (continued)

to the members of DatingDirect.com Limited

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 auditor's 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.

Handwritten signature of Ernst & Young LLP in black ink.

Stuart Darrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place
London
SE1 2AF

23 December 2020

Income statement

for the year ended 31 December 2019

	Notes	31 Dec 2019	31 Dec 2018
		<i>(in £000s)</i>	
Turnover	3	447	507
Cost of sales		11	(52)
Gross profit		458	455
Administrative expenses		(429)	(437)
Other operating income/(expense)		4	(4)
Operating profit		33	14
Interest receivable and similar income	5	1,019	1,006
Other income		—	179
Operating profit on ordinary activities before taxation	6	1,052	1,199
Tax on profit on ordinary activities	7	(28)	1
Profit for the financial year		1,024	1,200

All amounts relate to continuing operations.

Other comprehensive income
for the year ended 31 December 2019

	Notes	31 Dec 2019	31 Dec 2018
		<i>(in £000s)</i>	
Profit for the financial year		1,024	1,200
Other comprehensive income		—	—
Total comprehensive income for the year		1,024	1,200

Balance sheet
at 31 December 2019

	Notes	31 Dec 2019	31 Dec 2018
		<i>(in £000s)</i>	
Current Assets			
Debtors	8	23,977	22,817
Cash at bank		158	186
		<u>24,135</u>	<u>23,003</u>
Creditors			
Amounts falling due within one year	9	311	203
Net Assets		<u>23,824</u>	<u>22,800</u>
Capital and Reserves			
Called up share capital	11	2	2
Share premium	11	575	575
Capital contribution reserve		—	—
Retained earnings	12	23,247	22,223
Total Equity		<u>23,824</u>	<u>22,800</u>

The financial statements were approved by the Board of Directors on 21 December 2020 and were signed on its behalf by:

DocuSigned by:

Phil Eigenmann

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P. Eigenmann

Director

Statement of changes in equity

at 31 December 2019

	Called up share capital	Share premium	Capital contribution reserve <i>(in £000s)</i>	Retained earnings	Total equity
Balance at 1 January 2018	2	575	—	21,023	21,600
Changes in equity					
Total comprehensive income	—	—	—	1,200	1,200
Balance at 31 December 2018	2	575	—	22,223	22,800
Changes in equity					
Total comprehensive income	—	—	—	1,024	1,024
Balance at 31 December 2019	2	575	—	23,247	23,824

Notes to the financial statements

for the year ended 31 December 2019

1. Authorisation of Financial Statements and Compliance

The financial statements of DatingDirect.com Limited (the "Company") for the year ended 31 December 2019 were authorised for issue by the board of directors on 21 December 2020 and the balance sheet was signed on the board's behalf by P. Eigenmann. DatingDirect.com Limited is incorporated and domiciled in England and Wales.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group accounts as the company is included in the consolidated accounts of a larger group headed by Match Group, Inc., the parent undertaking established under the laws of America. These financial statements present information about the company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Nexus Dating Limited, the company has taken advantage of the exemption contained in Financial Reporting Standards 101 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Notes to the financial statements

for the year ended 31 December 2019

2. Accounting policies (continued)

Going concern

The ultimate parent company, Match Group, Inc. has agreed to provide continued support to the company for the foreseeable future to meet its obligations as and when they fall due, for a minimum period of 12 months from the date of approval of these financial statements to the extent that the company is unable to meet its liabilities.

Match Group, Inc. released its Q3 2020 results on 5 November 2020, which included increases in revenue and operating income over the comparable prior year period, operating cash flow of over \$500 million for the nine months ended 30 September 2020, and cash on hand of approximately \$400 million. Based on this information and on enquiries, the Directors believe that the Ultimate parent company, Match Group, Inc. has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent company, and their assessment of the impact on the Company summarised in the post balance sheet events in the strategic report, the Directors are of the view, to the best of their knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Internet revenue principally includes subscriptions to various services available on the websites run directly by the company as well as those operated through partnerships. Subscription revenue is recognised on a daily basis over the subscription period. Subscription revenue relating to subsequent financial period is booked as deferred income.

Research and development costs

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand and of less than three months duration, less overdrafts repayable on demand.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules enacted or substantially enacted by the balance sheet date.

The charge for tax is based on the profit and loss for the year and takes into account taxation deferred because of timing differences between the treatment for reporting purposes and for tax purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accountings purposes which have arisen but not reversed by the balance sheet date except as otherwise required by IAS 12.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

for the year ended 31 December 2019

2. Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Management assumptions

In preparing the financial statements, there are no significant management assumptions above or beyond items previously disclosed above.

3. Turnover

There is only one principal activity, namely the provision of online dating services. Subscription fee revenue is generated from customers who subscribe to online matchmaking services on the Company's website. Subscribers pay in advance, primarily by credit card, and subject to certain conditions identified in the terms and conditions, generally all purchases are final and nonrefundable. Revenue is initially deferred and is recognised using the straight-line method over the term of the applicable subscription period.

The Company's revenue is generated primarily from the United Kingdom. Liabilities related to contracts with customers are less than \$0.1 million for the year ended 31 December 2019.

4. Employees and Directors

There were no staff costs for the year ended 31 December 2019. All staff costs are borne by Match.com International Limited, a related party, where all UK staffing is consolidated.

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Directors' remuneration	—	—
The directors' remuneration for the year ended 31 December 2019 was borne and paid for by fellow group undertakings. It is impractical to determine the share of remuneration attributable to their services as a directors of the company.		

5. Interest Receivable and Similar Income

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Interest on loans to group	1,019	1,006

Notes to the financial statements

for the year ended 31 December 2019

6. Profit before Taxation

The profit before taxation is stated after charging:

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Auditor's remuneration - audit services	27	26

7. Taxation

Analysis of tax expense

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Current tax:		
Tax	—	—
Deferred tax	28	(1)
Total tax income in income statement	28	(1)

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Profit on ordinary activities before income tax	1,052	1,199
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	200	228
Effects of:		
Income not taxable for UK corporation tax purposes	—	(34)
Group relief surrendered	(199)	(194)
Adjustments in respect of prior years	28	(1)
Transfer pricing adjustments	(1)	—
Tax expense/(benefit)	28	(1)

Notes to the financial statements

for the year ended 31 December 2019

8. Debtors

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Amounts owed by group undertakings	23,923	22,768
Trade debtors	54	14
Prepayments and accrued income	—	7
Deferred tax asset	—	28
	<u>23,977</u>	<u>22,817</u>

Amounts owed by group undertakings will become due September 2022 and bear an interest rate of up to 6%.

9. Creditors: Amounts Falling due within one Year

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Trade creditors	1	8
Amounts owed to group undertakings	216	18
Accrued expenses	94	135
VAT	—	42
	<u>311</u>	<u>203</u>

10. Deferred Tax

	31 Dec 2019	31 Dec 2018
	<i>(in £000s)</i>	
Balance at 1 January	(28)	(28)
Adjustment in respect of prior years	28	—
Balance at 31 December	<u>—</u>	<u>(28)</u>

11. Called Up Share Capital and Premium

	Share capital	Share premium	Total
	<i>(in £000s)</i>		
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
9,380 (2018: 9,380)	Ordinary	£0.20	
	<u>2</u>	<u>575</u>	<u>577</u>

Notes to the financial statements

for the year ended 31 December 2019

12. Reserves

	Retained earnings
	(in £000s)
At 1 January 2019	22,223
Profit for the financial year	1,024
At 31 December 2019	23,247

13. Related Party Disclosures

As the Company is a wholly-owned subsidiary of Nexus Limited, which in turn, is a wholly-owned subsidiary Match Group Inc., the Company has taken advantage of the exemption contained in FRS 101 Related Parties Disclosures and has therefore not disclosed transactions or balances with entities which form part of the group.

14. Ultimate Parent Company

The Company is a wholly-owned subsidiary of Nexus Dating Limited a company which is incorporated in the UK, which in turn, is a wholly-owned subsidiary Match Group Inc., a company which is incorporated in the USA.

The group accounts for Match Group, Inc. are available at 8750 North Central Expressway, Dallas, TX 75231.

15. Subsequent Events

Impacts of the Coronavirus

In January 2020, an outbreak of a new strain of Coronavirus, COVID-19, was identified. The virus has spread globally including the UK and Europe and the World Health Organisation (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments, including the UK government, have imposed restrictions to reduce the risk of further spread of the disease – closing borders, ordering home quarantine, and cancelling public events. The company is a provider of online dating services and has continued to provide these services subsequent to the year end, however the company has seen a decline in the number of subscribers impacting revenue as a result of the pandemic. Whilst it is expected that the unprecedented situation will be temporary, there could be a long period of business interruption during which the revenues, profitability, and cashflows of the company could be negatively impacted.

Therefore as part of the ongoing monitoring management have identified the COVID-19 outbreak as a risk that could cause significant disruption to the company. Match Group, Inc., the ultimate parent company, has fared well through the pandemic with group revenues and operating income increasing from comparable periods a year prior. Match Group, Inc. reporting operating cash flow of over \$500 million for the nine months ended September, 30, 2020 along with global cash on hand of approximately \$400 million. The company is dependent on continued support from the ultimate parent company, referred to further in the going concern statement.

Notes to the financial statements

for the year ended 31 December 2019

15. Subsequent Events (continued)

Ultimate Parent Company

On 30 June 2020 the companies formerly known as Match Group, Inc. (referred to as “Former Match Group”) and IAC/InterActiveCorp (referred to as “Former IAC”) completed the separation of Former Match Group from IAC through a series of transactions that resulted in two, separate public companies —(1) Match Group, Inc., which consists of the businesses of Former Match Group and certain financing subsidiaries previously owned by Former IAC, and (2) IAC/InterActiveCorp, formerly known as IAC Holdings, Inc. (“IAC”), consisting of Former IAC’s businesses other than Match Group (the “Separation”). After the Separation, the Company’s ultimate parent is Match Group, Inc.