

**DatingDirect.com Limited**

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Registered No. 03850701

## **DatingDirect.com Limited**

### **Strategic Report, Directors' Report and Financial Statements**

Year ended 31 December 2020



**Contents of the Financial Statements**  
**for the year ended 31 December 2020**

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DatingDirect.com Limited

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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 was the provision of online dating services through 28 October 2020. On 25 March 2020, the Company transferred its dating service to Match.com International Limited ("MIL") in consideration for the payment by MIL to the company of £1 in cash and the assumption of MIL of all the Company's liabilities under the customer contracts. As a result of the transfer of the Company's dating service, the existing transfer pricing agreement between the Company and Meetic terminated. On 28 October 2020, all activity related to the Company's provision of online dating services ceased.

### Review of the business

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

	2020	2019	Change %
	<i>(in £000s)</i>		
Turnover	140	447	(69)%
Operating profit on ordinary activities before taxation	987	1,052	(6)%
Equity share holders' funds	24,811	23,824	4 %

Turnover and operating profit on ordinary activities before taxation decreased as a result of the transfer of dating services to MIL in March 2020, the cessation of trading activity in October 2020, and the decrease in average subscribers in the United Kingdom.

### Principal risks and uncertainties

As a subsidiary undertaking the principal risk relates to reliance on the profitability of its parent and other group companies, which operates in a competitive market. The group manage this risk through their ability to attract users to their websites, encourage such users to register on their websites, and ultimately to convert these registered users to subscribing members. This is contingent on the effectiveness of online and offline advertising, the quality of the group's websites, and the group's abilities to maintain productive relationships with its affiliate networks. No assurance can be provided that the company will continue to be able to effectively attract registered users to its websites and convert such registered users to subscribing members. Failure to do so would adversely affect the group's business, financial condition and results of operations. The group 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.

### Financial Risk Management

The Company's activities expose it to liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors. The Company does not use derivative financial instruments for speculative purposes. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company obtain loans from the group undertakings. In addition, the Company aims to mitigate the risks associated with its liquidity by managing cash generation by its subsidiary operations and cash collection targets to ensure sufficient cash flows are available for repayment of liabilities when they become due.

### Impacts of Brexit

The company has considered any risks arising as a result of the UK's departure from the European Union ("EU"). The UK left the EU on 31 January 2020, signing the EU-UK Trade Co-operation Agreement on 30 December 2020. The free trade deal between the UK and the EU came into force on 1 January 2021. The company does not consider the UK's departure from the EU will materially impact the results.

## Strategic report (continued)

### Impacts of the Coronavirus

In January 2020, an outbreak of a new strain of Coronavirus, COVID-19, was identified. The virus spread globally and the World Health Organisation (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments around the world, including the United Kingdom government, imposed restrictions during this time to reduce the risk of further spread of the disease including closing borders, ordering home quarantine, and cancelling public events. While some of these measures have been relaxed in certain parts of the world throughout 2020 and there were new normalisation levels as vaccines continued to roll out in 2021 and 2022, ongoing and future prevention and mitigation measures, as well as the potential for some of these measures to be reinstituted in the event of repeat waves of the virus, are likely to have an adverse impact on global economic conditions and consumer confidence and spending and could affect the demands, or users ability to pay for our products and services. Management continues to monitor the impact of COVID-19 on the business. At Match Group, Inc., despite an initial reduction in users' engagement at the onset of the pandemic, as people became adjusted to the new social restrictions, user engagement increased as did the users' propensity to pay, resulting in continued revenue growth in the overall business.

The business was able to continue to operate despite office closures, with the employees working from home, with limited disruptions due to the utilization of technology platforms in place prior to the pandemic.

### ON BEHALF OF THE BOARD:

DocuSigned by:

*Phil Eigenmann*

885E318E7FA34B5

P. Eigenmann

Director

Date: 26 July 2022

## Directors' report

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

### Results and dividends

The net profit for the year ended 31 December 2020 after taxation amounted to £987,000 (2019: £1,024,000). No dividends were distributed for the year ended 31 December 2020.

### 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, through a period of 12 months from when the financial statements are authorised for issue, to the extent that the company is unable to meet its liabilities.


Match Group, Inc. released its Q1 2022 results on 3 May 2022, which included increases in revenue and operating income over the comparable prior year period, operating cash flow of over \$233 million for the three months ended 31 March 2022, and cash on hand of approximately \$912 million. Additionally, total revenue for 2022 is forecasted at a 15% to 20% year-over-year growth. As of 4 May 2022, Match Group, Inc. has \$85 million of convertible debt due within the next year, however, the cash position of Match Group, Inc. and the cash flow is sufficient to meet the debt obligations. 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.

### 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:

  
805E318E7FA3485

P. Eigenmann

Director

Date: 26 July 2022

## 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 2020 which comprise the Income Statement, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 14. 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 2020 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.

### **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 company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.



## Independent auditors' report (continued)

to the members of DatingDirect.com Limited

### 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 5, 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.

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Accounting Standards, FRS 101 "Reduced Disclosure Framework", Companies Act 2006, Data Protection

## Independent auditors' report (continued)

to the members of DatingDirect.com Limited

Act 1998, Proceeds of Crime Act 2002, Money Laundering Regulations 2003, UK Bribery Act, UK Tax Regulation and Health and safety regulations.

- We corroborated our enquiries through our review of board minutes, as well as consideration of the results of our audit procedures and noted that there was no contradictory evidence. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and determined the compliance with the above laws with management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the business processes, obtaining and reading internal policies, holding enquiries of management as to any fraud risk framework within the entity.
- We audited a sample of subscription revenue transactions and audited material reconciling differences from the subscription revenue database to the general ledger.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved
  - Enquiry of management as to any fraud risk framework within the entity.
  - Enquiry of management around actual and potential litigation and claims.
  - We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering the risk of management override and by assuming revenue to be a fraud risk. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
  - Challenging judgements made by management. This included corroborating the inputs and considering contradicting evidence.
  - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

### 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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Stuart Darrington (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
1 More London Place  
London  
SE1 2AF  
27 July 2022

**Income statement**

for the year ended 31 December 2020

	Notes	31 Dec 2020	31 Dec 2019
		<i>(in £000s)</i>	
<b>Turnover</b>	3	140	447
Cost of sales		(5)	11
<b>Gross profit</b>		135	458
Administrative expenses		(144)	(429)
Other operating (expense)/income		(1)	4
<b>Operating (loss) profit</b>		(10)	33
Interest receivable and similar income	5	997	1,019
<b>Operating profit on ordinary activities before taxation</b>	6	987	1,052
Tax on profit on ordinary activities	7	—	(28)
<b>Profit for the financial year</b>		<u>987</u>	<u>1,024</u>

*All amounts relate to discontinued operations.*

**Other comprehensive income**

for the year ended 31 December 2020

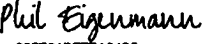
	Notes	31 Dec 2020	31 Dec 2019
		<i>(in £000s)</i>	
Profit for the financial year		987	1,024
Other comprehensive income		—	—
<b>Total comprehensive income for the year</b>		<b>987</b>	<b>1,024</b>

## Balance sheet

at 31 December 2020

	Notes	31 Dec 2020	31 Dec 2019
		<i>(in £000s)</i>	
<b>Current Assets</b>			
Debtors	8	24,878	23,977
Cash at bank		—	158
		<u>24,878</u>	<u>24,135</u>
<b>Creditors</b>			
Amounts falling due within one year	9	67	311
<b>Net Assets</b>		<u>24,811</u>	<u>23,824</u>
<b>Capital and Reserves</b>			
Called up share capital	11	2	2
Share premium	11	575	575
Capital contribution reserve		—	—
Retained earnings	12	24,234	23,247
<b>Total Equity</b>		<u>24,811</u>	<u>23,824</u>

The financial statements were approved by the Board of Directors on 26 July 2022 and were signed on its behalf by:

DocuSigned by:  
  
 895E348C7FA3495  
 P. Eigenmann  
 Director

**Statement of changes in equity**

at 31 December 2020

	<b>Called up share capital</b>	<b>Share premium</b>	<b>Capital contribution reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
			<i>(in £000s)</i>		
<b>Balance at 1 January 2019</b>	2	575	—	22,223	22,800
<b>Changes in equity</b>					
Total comprehensive income	—	—	—	1,024	1,024
<b>Balance at 31 December 2019</b>	2	575	—	23,247	23,824
<b>Changes in equity</b>					
Total comprehensive income	—	—	—	987	987
<b>Balance at 31 December 2020</b>	2	575	—	24,234	24,811

## Notes to the financial statements

for the year ended 31 December 2020

### 1. Authorisation of Financial Statements and Compliance

The financial statements of DatingDirect.com Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board of directors on 26 July 2022 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 2020

### 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, through a period of 12 months from when the financial statements are authorised for issue, to the extent that the company is unable to meet its liabilities.

Match Group, Inc. released its Q1 2022 results on 3 May 2022, which included increases in revenue and operating income over the comparable prior year period, operating cash flow of over \$233 million for the three months ended 31 March 2022, and cash on hand of approximately \$912 million. Additionally, total revenue for 2022 is forecasted at a 15% to 20% year-over-year growth. As of 4 May 2022, Match Group, Inc. has \$85 million of convertible debt due within the next year, however, the cash position of Match Group, Inc. and the cash flow is sufficient to meet the debt obligations. 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 2020

### 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 nil for the year ended 31 December 2020.

### 4. Employees and Directors

There were no staff costs for the year ended 31 December 2020. All staff costs are borne by Match.com International Limited, a related party, where all UK staffing is consolidated.

The directors' remuneration for the year ended 31 December 2020 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 2020	31 Dec 2019
	(in £000s)	
Interest on loans to group	997	1,019

### 6. Profit before Taxation

The profit before taxation is stated after charging:

	31 Dec 2020	31 Dec 2019
	(in £000s)	
Auditor's remuneration - audit services	19	27

## Notes to the financial statements

for the year ended 31 December 2020

### 7. Taxation

#### Analysis of tax expense

	31 Dec 2020	31 Dec 2019
	<i>(in £000s)</i>	
Current tax:		
Tax	—	—
Deferred tax	—	28
Total tax income in income statement	—	28

#### 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 2020	31 Dec 2019
	<i>(in £000s)</i>	
Profit on ordinary activities before income tax	987	1,052
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	188	200
Effects of:		
Group relief surrendered	(188)	(199)
Adjustments in respect of prior years	—	28
Transfer pricing adjustments	—	(1)
Tax expense	—	28

### 8. Debtors

	31 Dec 2020	31 Dec 2019
	<i>(in £000s)</i>	
Amounts owed by group undertakings	24,878	23,923
Trade debtors	—	54
	24,878	23,977

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

## Notes to the financial statements

for the year ended 31 December 2020

### 9. Creditors: Amounts Falling due within one Year

	31 Dec 2020	31 Dec 2019
	<i>(in £000s)</i>	
Trade creditors	6	1
Amounts owed to group undertakings	14	216
Accrued expenses	26	94
VAT	21	—
	<u>67</u>	<u>311</u>

### 10. Deferred Tax

	31 Dec 2020	31 Dec 2019
	<i>(in £000s)</i>	
Balance at 1 January	—	(28)
Adjustment in respect of prior years	—	28
Balance at 31 December	<u>—</u>	<u>—</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 (2019: 9,380)	Ordinary	£0.20	
	<u>2</u>	<u>575</u>	<u>577</u>

### 12. Reserves

	Retained earnings
	<i>(in £000s)</i>
At 1 January 2020	23,247
Profit for the financial year	<u>987</u>
At 31 December 2020	<u>24,234</u>

### 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.

## Notes to the financial statements

for the year ended 31 December 2020

### 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.

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.