

Registered Number 4804255 (England and Wales)

FriendsDating Limited
Annual Report of the Directors and
Financial Statements
For the Year Ended 31 December 2007

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FriendsDating Limited

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For the Year Ended 31 December 2007**

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FriendsDating Limited

Company Information

DIRECTORS	Mr T Betts resigned 30 November 2007 Mr M Fegan Mr J Henry Mr B McOwen-Wilson appointed 30 November 2007 Mr R Mogford Mr M Murphy Mr T Ward
SECRETARY	Ms H Tautz
REGISTERED OFFICE	The London Television Centre Upper Ground London SE1 9LT
REGISTERED NUMBER	4804255 (England and Wales)
AUDITORS	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB
BANKERS	Barclays Bank plc Barclays Business Centre Soho Square PO Box 4WA 27 Soho Square London W1D 3QR

FriendsDating Limited
Report of the Directors
For the Year Ended 31 December 2007

The directors present their annual report and the audited financial statements for the year ended 31 December 2007. The comparatives are for the year ended 31 December 2006.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be that of online introduction and dating services. The Company trades under the brand name Friends Reunited Dating and is one of a number of sites operated by the Friends Reunited Group.

The results of the Company show a profit of £1,523,746 (2006: £1,531,762) for the year and sales of £3,312,179 (2006: £2,267,100).

The Company has met the requirements in Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review.

DIRECTORS

The following were directors of the Company during the year ended 31 December 2007:

Mr T Betts resigned 30 November 2007
Mr M Fegan
Mr J Henry
Mr B McOwen-Wilson appointed 30 November 2007
Mr R Mogford
Mr M Murphy
Mr T Ward

DIVIDENDS

On 30 August 2007 the Company paid an interim dividend of £1,000,000 (year to 31 December 2006: £600,000) in cash.

POLITICAL AND CHARITABLE DONATIONS

There were no charitable donations during the year (year ended 31 December 2006: £Nil). There were no political contributions made during the year (year ended 31 December 2006: £Nil).

FriendsDating Limited

**Report of the Directors (continued)
For the Year Ended 31 December 2007**

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information 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 themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

The Company has passed Elective Resolutions to dispense with the laying of the Annual Report and Financial Statements before the Company in General Meeting, the appointment of auditors annually and the holding of Annual general Meetings, pursuant to Section 252, 386 and 366A respectively of the Companies Act 1985

BY ORDER OF THE BOARD


Ms H Tautz
Company Secretary

The London Television Centre
Upper Ground
London
SE1 9LT

2nd June 2008

FriendsDating Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the independent auditors, KPMG Audit plc, to the members of FriendsDating Limited

We have audited the financial statements of FriendsDating Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditors, KPMG Audit plc, to the members of FriendsDating Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

16 June 2008

FriendsDating Limited
Profit and Loss Account
For the Year Ended 31 December 2007

		Year ended 31 December 2007	Year ended 31 December 2006
	Note	£	£
TURNOVER	1	3,312,179	2,267,100
Cost of sales		<u>(1,080,468)</u>	<u>(97,193)</u>
GROSS PROFIT		2,231,711	2,169,907
Selling and distribution costs		(912,872)	(636,317)
Administrative expenses		<u>(722)</u>	<u>(21,013)</u>
Total operating expenses		(913,594)	(657,330)
OPERATING PROFIT	2	1,318,117	1,512,577
Interest receivable and similar income		<u>205,629</u>	<u>19,185</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,523,746	1,531,762
Taxation on profit on ordinary activities	4	<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	8	<u><u>1,523,746</u></u>	<u><u>1,531,762</u></u>

As noted in the Directors' report, the results stated above are all derived from continuing activities

The Company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the period as stated above and their historical cost equivalents

The notes on pages 9 to 13 form part of these financial statements

FriendsDating Limited

Balance Sheet

		31 December 2007	31 December 2006
	Note	£	£
CURRENT ASSETS			
Debtors	5	137,707	58,070
Cash at bank and in hand		<u>4,212,506</u>	<u>2,075,218</u>
		4,350,213	2,133,288
CREDITORS			
Amounts falling due within one year	6	<u>(2,152,016)</u>	<u>(458,837)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,198,197</u>	<u>1,674,451</u>
NET ASSETS		<u>2,198,197</u>	<u>1,674,451</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	<u>2,198,097</u>	<u>1,674,351</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	10	<u>2,198,197</u>	<u>1,674,451</u>

The financial statements which comprise the profit and loss account, the balance sheet and the related notes were approved by the board of directors and signed on its behalf by -


Mr R Mogford - Director

Date 2/6/08

The notes on pages 9 to 13 form part of these accounts

FriendsDating Limited

Notes to the Financial Statements

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the following basis

- Under the historical cost convention,
- In accordance with applicable accounting standards in the United Kingdom,
- On a going concern basis, and
- On a consistent basis of application of accounting policy

A summary of the significant accounting policies which have been applied consistently are set out below

The Company is exempt from the requirements of FRS 1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary of ITV plc, and its cash flows are included within the consolidated cash flow of that company

As the Company is a wholly owned subsidiary of ITV plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of ITV plc can be obtained from the Company Secretary, 200 Grays Inn Road, London WC1X 8HF

Turnover

Turnover represents revenue receivable (net of Value Added Tax) by the Company in relation to its operating activities. Subscription Revenue is recognised after making provision for the value of services undertaken during the year in relation to the subscription and then deferring an appropriate element of amounts received for which services are to be performed in future financial periods.

Website Development Expenditure

All website development costs are expensed within the period incurred.

Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FriendsDating Limited

Notes to the Financial Statements (continued)

1 ACCOUNTING POLICIES - continued

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Assets and liabilities in foreign currencies are re-translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

Dividends

Dividends are recognised in the period in which they are declared.

2 OPERATING PROFIT

Auditor's remuneration of £4,677 (year ended 31 December 2006 £4,677) has been borne by another Group Company. Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent ITV plc.

3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

None of the Directors received any emoluments from the Company in respect of services during the period (2006 Nil). There were no employees and hence no staff costs during the year (2006 none).

FriendsDating Limited

Notes to the Financial Statements - continued

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2007	Year ended 31 December 2006
Analysis of the tax charge		
	£	£
Current tax		
UK corporation tax at 30%	-	-
Total current tax	<u>-</u>	<u>-</u>
Factors affecting the tax charge		
The tax charge for the period is lower than (2006 lower than) the standard rate of corporation tax in the UK. The difference is explained below		
Profit on ordinary activities before taxation	<u>1,523,746</u>	<u>1,531,762</u>
Corporation tax at standard rate in the UK of 30%	457,124	459,529
Effects of		
Permanent differences and group relief	<u>(457,124)</u>	<u>(459,529)</u>
Current period charge	<u>-</u>	<u>-</u>

5 DEBTORS

	31 December 2007	31 December 2006
	£	£
Trade debtors	89,515	42,849
Accrued income	48,912	10,859
Amounts owed from group undertakings	-	4,362
	<u>137,707</u>	<u>58,070</u>

6 CREDITORS

	31 December 2007	31 December 2006
	£	£
Amounts falling due within one year		
Other taxes and social security	143,703	24,302
Amounts owed to group undertakings	1,455,944	116,214
Trade creditors	6,915	5,649
Accruals and deferred revenue	<u>545,454</u>	<u>312,672</u>
	<u>2,152,016</u>	<u>458,837</u>

FriendsDating Limited

Notes to the Financial Statements - continued

7 CALLED UP SHARE CAPITAL	31 December 2007	31 December 2006
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
8 PROFIT AND LOSS ACCOUNT		
	Year ended 31 December 2007	Year ended 31 December 2006
	£	£
At start of period	1,674,351	742,589
Profit for the financial period after taxation	1,523,746	1,531,762
Dividends paid	<u>(1,000,000)</u>	<u>(600,000)</u>
At end of period	<u>2,198,097</u>	<u>1,674,351</u>
9 DIVIDENDS		
	Year ended 31 December 2007	Year ended 31 December 2006
	£	£
Equity ordinary shares		
Interim dividend paid £10,000 per share (2006 £6,000 per share)	<u>1,000,000</u>	<u>600,000</u>
	<u>1,000,000</u>	<u>600,000</u>
10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
	Year ended 31 December 2007	Year ended 31 December 2006
	£	£
Profit for the financial period after taxation	1,523,746	1,531,762
Dividends	<u>(1,000,000)</u>	<u>(600,000)</u>
Net additions to equity shareholders' funds	523,746	931,762
Opening equity shareholders' funds	<u>1,674,451</u>	<u>742,689</u>
Closing equity shareholders' funds	<u>2,198,197</u>	<u>1,674,451</u>

FriendsDating Limited

Notes to the Financial Statements – continued

11 CONTINGENT LIABILITIES

Under a group registration the Company is jointly and severally liable for VAT at 31 December 2007 of £28 million (31 December 2006 £29 million)

The Company and certain other group companies have entered into an arrangement for a joint bank account with Barclays PLC and are jointly and severally liable in respect of any overdraft arising on the group joint bank account. At 31 December 2007 this contingent liability amounted to £nil (31 December 2006 £nil)

In the opinion of the directors, adequate allowance has been made in respect of these matters

12 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' from making disclosures of transactions with members of the Group during the financial period

13 ULTIMATE PARENT COMPANY

At 31 December 2007 the Company's immediate parent company was Friends Reunited Limited, a company incorporated and registered in England and Wales. The Company's ultimate parent company was ITV plc, a company incorporated and registered in England and Wales

The smallest group in which the results of the Company were consolidated was that headed by Friends Reunited Holdings Limited, incorporated in England and Wales. The largest group in which the results of the Company were consolidated was that headed by ITV plc, incorporated in England and Wales. The consolidated accounts of both companies are available to the public and may be obtained from the Company Secretary, 200 Grays Inn Road, London WC1X 8HF