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**Company Registration No. 4804255 (England and Wales)**

**FriendsDating Limited**

**Directors' report and accounts  
for the period ended 31 March 2011**

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# FriendsDating Limited

## Company information

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Directors	CRD Van der Kuyl JH Denning
Secretary	LA Calder
Company number	4804255
Registered office	185 Fleet Street London EC4A 2HS
Auditor	Henderson Loggie Royal Exchange Panmure Street Dundee DD1 1DZ
Bankers	Bank of Scotland 2 West Marketgait Dundee DD1 1QN

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# FriendsDating Limited

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# FriendsDating Limited

## Directors' report For the period ended 31 March 2011

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The directors present their report and accounts for the period ended 31 March 2011

### Principal activities

The principal activity of the company continues to be that of online dating services. The company operates friendsreuniteddating.co.uk and friendsover50.co.uk and launched swoon.co.uk in April 2011 to provide a more unique user experience around understanding of partner characteristics

### Business review

Total turnover in the year was £1,706k compared with £605k for the previous three month period with operating losses of £(535)k compared with profits of £27k

The principal risks and uncertainties affecting the business include the following:

- Competitive risk - the company operates in a highly competitive market with competitors committing significantly higher expenditure to marketing campaigns. This makes customer acquisition costs prohibitively expensive. Also, new entrants are continually coming into the market potentially diluting market share

Key areas of strategic development and performance of the business include

- Competitive advantage - the development of a new brand launched in April 2011 has been aimed at creating a new user experience to gain a competitive advantage

The company continues to place considerable emphasis on environmental compliance. It is aware of its environmental responsibilities and actively takes these into account when considering key processes, strategic and operational decisions

The company monitors forthcoming and current legislation regularly and continues to manage proactively the operational and reporting requirements arising from legislation and an increasing regulatory regime throughout its operations.

The company's staff resources are vital to its continued operational success and on-going training and development form a fundamental strand of the Group's HR function as well as a safe and healthy workplace for its employees.

Key financial performance indicators include the monitoring and management of profitability and working capital.

### Directors

The following directors have held office since 1 April 2010

CRD Van der Kuyl  
JH Denning

# **FriendsDating Limited**

## **Directors' report (continued) For the period ended 31 March 2011**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts 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 enable them to ensure that the accounts 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 of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies under the small companies' regime.

By order of the board



LA Calder

**Secretary**

26 October 2011

# FriendsDating Limited

## Independent auditor's report To the members of FriendsDating Limited

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We have audited the accounts of FriendsDating Limited for the period ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

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.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts. In addition, we read all the financial and non financial information in the directors' report to identify material inconsistencies with the audited accounts. Should we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the period 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.

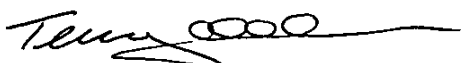
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

### Matters on which we are required to report by exception

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 accounts 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, or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.



**Terry Allison (Senior Statutory Auditor)**  
for and on behalf of Henderson Loggie  
Statutory Auditor

26 October 2011  
Chartered Accountants  
DD1 1DZ

# FriendsDating Limited

## Profit and loss account

For the period ended 31 March 2011

		Year ended 31 March 2011 £000	3 Months ended 31 March 2010 £000
	Notes		
Turnover		1,706	605
Cost of sales		(898)	(70)
<b>Gross profit</b>		<b>808</b>	<b>535</b>
Administrative expenses		(1,343)	(508)
<b>Operating (loss)/profit</b>	<b>2</b>	<b>(535)</b>	<b>27</b>
Other interest receivable and similar income	<b>3</b>	<b>5</b>	<b>17</b>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(530)</b>	<b>44</b>
Tax on (loss)/profit on ordinary activities	<b>4</b>	<b>149</b>	<b>-</b>
<b>(Loss)/profit for the period</b>	<b>10</b>	<b>(381)</b>	<b>44</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# FriendsDating Limited

## Balance sheet As at 31 March 2011

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Tangible assets	5	58	-
<b>Current assets</b>			
Debtors	6	165	41
Cash at bank and in hand		729	1,586
		<u>894</u>	<u>1,627</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(655)</u>	<u>(952)</u>
<b>Net current assets</b>		<u>239</u>	<u>675</u>
<b>Total assets less current liabilities</b>		<u>297</u>	<u>675</u>
<b>Provisions for liabilities</b>	8	<u>(3)</u>	<u>-</u>
<b>Net assets</b>		<u><u>294</u></u>	<u><u>675</u></u>
<b>Capital and reserves</b>			
Profit and loss account	10	<u>294</u>	<u>675</u>
<b>Shareholders' funds</b>	11	<u><u>294</u></u>	<u><u>675</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by the Board and authorised for issue on 26 October 2011



CRD Van der Kuyl  
Director

Company Registration No. 4804255



# FriendsDating Limited

## Notes to the accounts

For the period ended 31 March 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The accounts are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is part of a group which prepares a group cash flow statement

#### 1.2 Compliance with accounting standards

The accounts are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents fees charged to customers for accessing and using the online introduction and dating website. Unlimited access subscription revenue is recognised evenly across the period of the subscription.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	over 3 years
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#### 1.5 Taxation

The tax expense represents the sum of the corporation tax and deferred tax charge for the year.

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

### 2 Operating (loss)/profit

No remuneration was paid to directors during the year. All directors are paid through brightsolid online innovation limited.

Auditor's remuneration for both periods has been borne by another group company.

### 3 Investment income

	2011 £000	2010 £000
Bank interest	5	17

# FriendsDating Limited

## Notes to the accounts (continued) For the period ended 31 March 2011

<b>4 Taxation</b>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Domestic current year tax</b>		
U K corporation tax	<b>(152)</b>	-
<b>Current tax charge</b>	<b>(152)</b>	-
<b>Deferred tax</b>		
Deferred tax charge/credit current year	<b>3</b>	-
	<b>(149)</b>	-
<b>Factors affecting the tax charge for the period</b>		
(Loss)/profit on ordinary activities before taxation	<b>(530)</b>	44
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2010 - 28%)	<b>(148)</b>	12
Effects of		
Permanent Differences and group relief	<b>(1)</b>	(12)
Capital allowances	<b>(3)</b>	-
	<b>(4)</b>	(12)
<b>Current tax charge</b>	<b>(152)</b>	-

## 5 Tangible fixed assets

	<b>Plant and machinery etc £000</b>
<b>Cost</b>	
At 1 April 2010	-
Additions	<b>58</b>
At 31 March 2011	<b>58</b>
<b>Depreciation</b>	
At 1 April 2010 & at 31 March 2011	-
<b>Net book value</b>	
At 31 March 2011	<b>58</b>

# FriendsDating Limited

## Notes to the accounts (continued) For the period ended 31 March 2011

<b>6 Debtors</b>	<b>2011 £000</b>	<b>2010 £000</b>
Trade debtors	<b>5</b>	23
Amounts owed by group undertakings	<b>1</b>	-
Prepayments and accrued income	<b>159</b>	18
	<b>165</b>	41

<b>7 Creditors: amounts falling due within one year</b>	<b>2011 £000</b>	<b>2010 £000</b>
Trade creditors	<b>48</b>	24
Amounts owed to group undertakings	<b>325</b>	457
Other taxes and social security costs	<b>6</b>	91
Accruals and deferred revenue	<b>276</b>	380
	<b>655</b>	952

### 8 Provisions for liabilities and charges

	<b>Deferred tax liability £000</b>
Profit and loss account	<b>3</b>
Balance at 31 March 2011	<b>3</b>

The deferred tax liability is made up as follows:

	<b>2011 £000</b>	<b>2010 £000</b>
Accelerated capital allowances	<b>3</b>	-

# FriendsDating Limited

## Notes to the accounts (continued) For the period ended 31 March 2011

<b>9 Share capital</b>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	-	-

## 10 Statement of movements on profit and loss account

	<b>Profit and loss account £000</b>
Balance at 1 April 2010	<b>675</b>
Loss for the period	<b>(381)</b>
<b>Balance at 31 March 2011</b>	<b>294</b>

<b>11 Reconciliation of movements in shareholders' funds</b>	<b>2011 £000</b>	<b>2010 £000</b>
(Loss)/Profit for the financial period	<b>(381)</b>	44
Opening shareholders' funds	<b>675</b>	631
<b>Closing shareholders' funds</b>	<b>294</b>	675

## 12 Contingent liabilities

DC Thomson & Company Limited hold a bond and floating charge and a cross guarantee with brightsolid online innovation limited over all the assets of the company. The amount secured at 31 March 2011 was £nil (2010 - £nil)

## 13 Control

At 31 March 2011 the Company's immediate parent company is brightsolid online innovation limited, a company incorporated and registered in Scotland. The Company's ultimate parent company is DC Thomson & Company Limited, a company incorporated and registered in Scotland.

There is no individual controlling party.

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# **FriendsDating Limited**

## **Notes to the accounts (continued)** **For the period ended 31 March 2011**

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### **14 Related party relationships and transactions**

The Company has taken advantage of the exemption conferred by FRS8 Related Party Disclosures not to disclose related party transactions between companies which are wholly owned by their ultimate parent company during the period, which prepares group accounts