

## **Match.com Global Services Limited**

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

Year ended 31 December 2018



## **Contents of the Financial Statements**

**for the year ended 31 December 2018**

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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  
125 London Wall  
London EC2Y5AJ

### Solicitors

Eversheds  
1 Royal Standard Place  
Nottingham NG1 6FZ

### Registered Office

C/O Skadden  
40 Bank Street  
Canary Wharf  
London E14 5DS

## Strategic report

### Principal activities

The Company's principal activity during the year continued to be the provision of Internet services. The Company consists primarily of Match.com brand servicing markets in Canada, Asia, and Australia. The Company's properties serviced approximately 46,000 subscribers as of 31 December 2018 (2017: 49,000).

Match.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 through Match.com's double-blind anonymous e-mail system. E-mail recipients respond depending on their interest in the sender. It is free to post a profile on Match.com and to use any of the searching and matching tools available on the site. Match.com charges a subscription fee to users who wish to correspond with another Match.com member. Such subscriptions start with a single-month term, with discounts offered on longer 3 month and 6 month subscriptions.

Match.com has entered into various partnerships and strategic alliances with third parties in order to increase subscriptions in general, as well as to target particular segments of its potential subscriber base. Typically, these partners earn a commission based upon the Internet traffic or customer subscriptions they ultimately generate for the Match.com service.

The Company is concentrating on growing the mobile platform of the business in the upcoming years to capitalise on the shift in traffic from desktop to mobile as well as providing an additional means of local payment method. Furthermore, the company continues to work on the existing desktop platform in order to better convert registrants to subscribers.

### Review of the business

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

	2018	2017	Change
	\$000	\$000	%
Turnover	\$ 12,494	\$ 18,848	(34)%
Gross Profit	\$ 8,459	\$ 15,027	(44)%
Profit on ordinary activities after taxation	\$ 2,162	\$ 5,418	(60)%
Equity shareholders' funds	\$ 12,378	\$ 10,216	21 %
Current assets as % of current liabilities ('quick ratio')	191%	172%	
Average number of employees	2	2	

The profit for the year, after taxation, amounts to \$2,162,000 (2017 - \$5,418,000). Profit for the year decreased in the current year which is attributable to the decrease in foreign exchange gains and gross profits.

### 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 and subsidiaries' websites and applications, and the Company's and subsidiaries' ability to maintain productive relationships with affiliate networks. No assurances can be provided that the Company and its subsidiaries will continue to be able to effectively attract registered users to their websites 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.

## Strategic report (continued)

### 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 obtains 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.

### Foreign currency risk

Sales are typically made in local currencies whereas the Company's functional currency is the US Dollar. The Company is therefore exposed to movements in the international currency markets against the US Dollar.

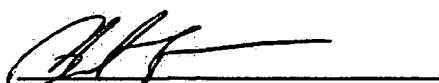
### Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments. The Company manages this risk by monitoring cash flow projection on a monthly basis to ensure that appropriate facilities are available to be drawn upon as necessary.

### Credit risk

The credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's principal financial assets are bank balances, cash, trade receivables, and other receivables. The Company's credit risk is primarily attributable to its trade receivables which consist predominantly of credit card sales settlements in transit. The Company contracts with gateway and payment service providers to authorise and validate the legitimacy of credit cards used to minimise such losses. The group has not had in the past experienced significant bad debts.

**ON BEHALF OF THE BOARD:**

  
P. Eigenmann  
Director

Date: 27 September 2019

## Directors' report

The directors present their report with the audited financial statements for the year ended 31 December 2018.

### Results and dividends

The net profit for the year after taxation amounted to \$2,162,000 (2017 - \$5,418,000). No dividends were distributed for the year ended 31 December 2018.

### Directors

The current directors are shown on page 1. A Oguntade resigned 29 March 2018, B Perez resigned 16 August 2018, K Gregory was appointed on 16 August 2018 and resigned 13 December 2018, P Eigenmann was appointed on 16 August 2018, and A Willis was appointed on 13 December 2018.

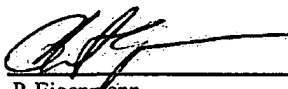
### Going concern

The company is dependent upon continued support being made available by Match Group, Inc. (a direct subsidiary of the company's ultimate parent undertaking IAC/InterActiveCorp) to enable it to meet its liabilities as they fall due. Match Group Inc. has expressed its willingness to provide financial support to Match.com Global Services Limited to assist the company in meeting its liabilities for a period of at least 12 months from the date of approval of these financial statements, and accordingly, the financial statements have been prepared on a going concern basis.

### 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:

  
\_\_\_\_\_  
P. Eigenmann  
Director

Date: 27 September 2019

## **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 Match.com Global Services Limited**

### **Opinion**

We have audited the financial statements of Match.com Global Services Limited for the year ended 31 December 2018 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 2018 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**

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.

We have nothing to report in this regard.



# **Independent auditors' report (continued)**

**to the members of Match.com Global Services 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.

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 Match.com Global Services 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.

*Ernst & Young LLP*

Stuart Darrington (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place

London

SE1 2AF

*30/9/19*

## Income statement

for the year ended 31 December 2018

	Notes	31 Dec 2018	31 Dec 2017
		<i>(in \$000s)</i>	
<b>Turnover</b>	3	\$ 12,494	\$ 18,848
Cost of sales		(4,035)	(3,821)
<b>Gross profit</b>		8,459	15,027
Administrative expenses		(5,623)	(9,819)
Other operating (expense)/income		(86)	156
<b>Operating profit</b>		2,750	5,364
Interest receivable and similar income		72	54
Interest payable and similar charges		(1)	—
<b>Operating profit on ordinary activities before taxation</b>	5	2,821	5,418
Tax on profit on ordinary activities	6	(659)	—
<b>Profit for the financial year</b>		\$ 2,162	\$ 5,418

*All amounts relate to continuing operations.*

## Other comprehensive income

for the year ended 31 December 2018

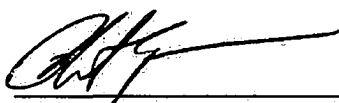
	Notes	31 Dec 2018	31 Dec 2017
		<i>(in \$000s)</i>	
Profit for the financial year		\$ 2,162	\$ 5,418
Other comprehensive income		—	—
<b>Total comprehensive income for the year</b>		<b>\$ 2,162</b>	<b>\$ 5,418</b>

## Balance sheet

at 31 December 2018

	Notes	31 Dec 2018	31 Dec 2017
		<i>(in \$000s)</i>	
<b>Fixed Assets</b>			
Intangible Assets	7	\$ 33	\$ 267
Investments	8	—	—
		<u>33</u>	<u>267</u>
<b>Current Assets</b>			
Debtors	9	24,135	23,241
Cash at bank		1,744	515
		<u>25,879</u>	<u>23,756</u>
<b>Creditors</b>			
Amounts falling due within one year	10	13,534	13,807
<b>Net Current Assets</b>		<u>12,345</u>	<u>9,949</u>
<b>Total Assets Less Current Liabilities</b>		12,378	10,216
<b>Net Assets</b>		<u>\$ 12,378</u>	<u>\$ 10,216</u>
<b>Capital and Reserves</b>			
Called up share capital	11	\$ 1	\$ 1
Retained earnings	12	12,377	10,215
<b>Total Equity</b>		<u>\$ 12,378</u>	<u>\$ 10,216</u>

The financial statements were approved by the Board of Directors on 27 September 2019 and were signed on its behalf by:



P. Eigenmann  
Director

**Statement of changes in equity**

at 31 December 2018

	Called up share capital	Retained earnings <i>(in \$000s)</i>	Total equity
<b>Balance at 1 January 2017</b>	\$ 1	\$ 4,797	\$ 4,798
<b>Changes in equity</b>			
Total comprehensive income	—	5,418	5,418
<b>Balance at 31 December 2017</b>	1	10,215	10,216
<b>Changes in equity</b>			
Total comprehensive income	—	2,162	2,162
<b>Balance at 31 December 2018</b>	<u>\$ 1</u>	<u>\$ 12,377</u>	<u>\$ 12,378</u>

## Notes to the financial statements

for the year ended 31 December 2018

### 1. Authorisation of Financial Statements and Compliance

The financial statements of Match.com Global Services Limited (the "Company") for the year ended 31 December 2018 were authorised for issue by the board of directors on 27 September 2019 and the balance sheet was signed on the board's behalf by P. Eigenmann. Match.com Global Services 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 financial statements have been prepared on the going concern basis and in accordance with applications accounting standards in the United Kingdom and under historical cost accounting rules. 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- 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 requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

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 IAC/ InterActiveCorp, the parent undertaking established under the law 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 Match.com Pegasus Limited, the company has taken advantage of the exemption contained in Financial Reporting Standards 101 and has therefore not disclosed transactions on balances which form part of the group.

## Notes to the financial statements

for the year ended 31 December 2018

### 2. Accounting policies (continued)

#### Basis of preparation (continued)

The impact of the new International Financial Reporting Standards effective for the entity as of 1 January 2018 is set out below:

- In July 2014, the IASB issued IFRS 9, Financial Instruments, which replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Company has adopted IFRS 9 for the reporting period commencing 1 January 2018 and its adoption did not have a material effect on its financial statements. The accounting policy has been amended following the adoption of the standard to address the requirement to calculate an expected credit loss, compared to a provision for doubtful debt as per the extant sections of IAS 39.
- IFRS 15 'Revenue from Contracts with Customers' - this standard was adopted from the date of initial application - 1 January 2018. The five step model for revenue recognition has been applied to each significant revenue stream. The accounting policy for revenue recognition has been updated below in order to identify when each performance obligation has been completed for each revenue stream. No material impact on the financial statements following adoption of the standard has been identified.

#### Going concern

The company is dependent upon continued support being made available by Match Group, Inc. (a direct subsidiary of the company's ultimate parent undertaking IAC/InterActiveCorp) to enable it to meet its liabilities as they fall due. Match Group Inc. has expressed its willingness to provide financial support to Match.com Global Services Limited to assist the company in meeting its liabilities for a period of at least 12 months from the date of approval of these financial statements, and accordingly, the financial statements have been prepared on a going concern basis.

#### 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 tax purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less or to receive more tax, with the following exceptions:

- 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 profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on an undiscounted basis at the rates and laws enacted or substantively enacted at the balance sheet date.



## Notes to the financial statements

for the year ended 31 December 2018

### 2. Accounting policies (continued)

#### Revenue recognition

Subscription fee revenue is generated from customers who subscribe to online matchmaking services on the Company's website. Revenue from contracts with customers is recognised when the control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Subscription fee revenue is recognised over the period the services are provided.

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, which establishes the principles that an entity applies when reporting information about the nature, amount, timing, and uncertainty of revenue and cash flows from a contract with a customer. The Company has adopted IFRS 15 for the reporting period commencing 1 January 2018 using the modified retrospective approach. The Company's adoption did not have a material effect on its financial statements.

#### Foreign currency transaction

The directors of the Company regard the US dollar as the functional currency of the Company. The majority of the Company's revenue and expenditure is carried out in US dollars. Therefore, the financial statements are presented in US dollars.

Transactions denominated in foreign currencies are translated in to US dollars and recorded at the actual rate of exchange during the year. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the balance sheet date (2018 - \$1.00 = £0.7869, 2017 - \$1.00 = £0.7485). Exchange gains or losses are included in the profit and loss account.

#### Investments

Fixed asset investments are stated at cost less provision for impairments in value. The carrying values of investments are reviewed for impairment when events indicate the carry value may not be recoverable.

#### 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 on-line dating services. Subscription fee revenue is generated from customers who subscribe to on-line 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 Japan and Australia. Assets and liabilities related to contracts with customers are less than \$0.1 million and \$2.0 million, respectively, for the year ended 31 December 2018.

## Notes to the financial statements

for the year ended 31 December 2018

### 4. Employees and Directors

	31 Dec 2018	31 Dec 2017
	<i>(in \$000s)</i>	
Wages and salaries	\$ 300	\$ 160
Social security costs	21	14
Other pension costs	8	5
	<u>\$ 329</u>	<u>\$ 179</u>

The average monthly number of employees during the year was made up as follows:

	31 Dec 2018	31 Dec 2017
Administration	2	2
	<u>2</u>	<u>2</u>

The directors' remuneration for 2018 and 2017 was borne and paid for by a fellow group undertaking. It is impractical to determine the share of remuneration attributable to their services as a director of Match.com Global Services Limited.

### 5. Profit before Taxation

The profit before taxation is stated after charging/(crediting):

	31 Dec 2018	31 Dec 2017
	<i>(in \$000s)</i>	
Cost of sales	\$ 4,035	\$ 3,821
Goodwill amortisation	158	159
Foreign exchange loss/(gain)	86	(156)
Auditor's remuneration - audit services	66	80
Patents and licences amortisation	<u>76</u>	<u>76</u>

## Notes to the financial statements

for the year ended 31 December 2018

### 6. Taxation

#### Analysis of tax expense

	31 Dec 2018	31 Dec 2017
	<i>(in £000s)</i>	
Current tax:		
Tax	\$ 659	\$ —

#### 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 2018	31 Dec 2017
	<i>(in \$000s)</i>	
Profit on ordinary activities before income tax	\$ 2,821	\$ 5,418
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	\$ 536	\$ 1,043
Effects of:		
Non tax-deductible expenses	45	45
Effects of overseas tax rates	78	(1,088)
Tax expense	\$ 659	\$ —

### 7. Intangible Assets

	Goodwill	Patents and licences	Total
	<i>(in \$000s)</i>		
<b>Cost</b>			
At 1 January 2018 and 31 December 2018	\$ 1,586	\$ 788	\$ 2,374
<b>Amortisation</b>			
At 1 January 2018	1,408	699	2,107
Amortisation for the year	158	76	234
At 31 December 2018	1,566	775	2,341
<b>Net book value</b>			
At 31 December 2018	\$ 20	\$ 13	\$ 33
At 31 December 2017	\$ 178	\$ 89	\$ 267

## Notes to the financial statements

for the year ended 31 December 2018

### 8. Investments

	Shares in group undertakings
	(in \$000s)
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	\$ 3,000
<b>Impairment</b>	
At 1 January 2018	(3,000)
Impairment for the year	—
At 31 December 2018	(3,000)
<b>Net book value</b>	
At 31 December 2018	\$ —
At 31 December 2017	\$ —

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

Company	Country of Incorporation	Principal Activity	Share Capital	Interest
Match.com Japan Networks GK	Japan	Online dating	Ordinary shares	100% direct
Match Global Investment SARL	Luxembourg	Holding company	Ordinary share and preferred shares	6 % direct
MM Latam LLC	US	Online dating	Ordinary shares	6% indirect
Match.com Latam Ltd	UK	Online dating	Ordinary shares	6% indirect
Parperfeito Comunicacao SA	UK	Online dating	Ordinary shares	6% indirect
Matchcom Mexico S de R.L. de C.V.	Mexico	Online dating	Ordinary shares	6% indirect

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

	31 Dec 2018	31 Dec 2017
	(in \$000s)	
Trade debtors	\$ 459	\$ 324
Amounts owed by group undertakings	23,605	22,783
Prepayments	71	134
	<u>\$ 24,135</u>	<u>\$ 23,241</u>

## Notes to the financial statements

for the year ended 31 December 2018

### 10. Creditors: Amounts Falling due with one Year

	31 Dec 2018	31 Dec 2017
	<i>(in \$000s)</i>	
Trade creditors	\$ 363	\$ 208
Amounts owed to group undertakings	10,007	10,230
Accrued expenses	3,065	3,150
VAT	99	219
	<u>\$ 13,534</u>	<u>\$ 13,807</u>

### 11. Called Up Share Capital

	31 Dec 2018	31 Dec 2017
	<i>(in \$000s)</i>	
Allotted, issued and fully paid:		
Number:	Class	Nominal value:
1,001 (2017: 1,001)	Ordinary	£1
	\$ 1	\$ 1

### 12. Reserves

	Retained earnings
	<i>(in \$000s)</i>
At 1 January 2018	\$ 10,215
Profit for the year	2,162
At 31 December 2018	<u>12,377</u>

### 13. Ultimate Parent Company

The Company is a wholly-owned subsidiary of Match.com Pegasus Limited, a company which is incorporated in the United Kingdom, which in turn, is a majority-owned subsidiary of IAC/InterActiveCorp, through its direct subsidiary, Match Group Inc., a company incorporated in the USA. As of 31 December 2018, IAC/InterActiveCorp's ownership interest in Match Group, Inc. was 81.1%.

IAC/InterActiveCorp heads the largest group of which Match.com Global Services Limited is a member for which group accounts are prepared.

The group accounts for IAC/InterActiveCorp are available at 555 West 18th Street, New York, NY 10011.

## **Notes to the financial statements**

**for the year ended 31 December 2018**

### **14. Related Party Disclosures**

As the Company is a wholly-owned subsidiary of Match.com Pegasus Limited, 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.