

Match.com Europe Limited

Strategic Report, Directors' Report and Financial Statements

Year ended 31 December 2015

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Company information

Directors

K Gregory (resigned 18 October 2016)
P Eigenmann (appointed 27 August 2015)
E Moustaka (appointed 18 October 2016)
B Perez (appointed 27 August 2015)
J Sine (appointed 1 September 2016)
C. Anderson (and resigned on 27 August 2015)
S. Cawthorn (resigned 27 August 2015)

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

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 with related disclosure. 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 judgements and estimates that are reasonable and prudent;
- 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.

Directors' report

The directors present their report with the audited financial statements for the year ended 31 December 2015.

Results and dividends

The net loss for the year after taxation amounted to \$33,964,000 (2015 - loss of \$6,914,000). The Company received interim dividends during 2015 from Match.com Pegasus Limited, a wholly owned subsidiary, of \$1.6 million (2014: \$1.1 million).

Going concern

The company is dependent upon continued support being made available by its ultimate parent undertaking IAC/InterActiveCorp to enable it to meet its liabilities as they fall due. The ultimate parent undertaking has expressed its willingness to provide financial support to Match.com Europe Limited to assist the company in meeting its liabilities and accordingly the financial statements have been prepared on a going concern basis.

Future developments

The review of business, financial risk management and indication of future developments are discussed in Strategic Report.

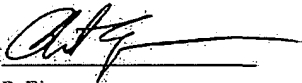
Directors and their interests

The directors who held office during the year and to the date of this report are listed on page 1.

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

22 December 2016

Date

Strategic report

Principal Activities

The Company is an investment holding company and the directors expect it to continue as such in the future. Match.com Europe Limited ("Match Europe" or the "Company") is a wholly-owned subsidiary of Match.com Foreign Holdings Limited (previously Match.com France Limited ("Match France")), a UK company and a wholly-owned subsidiary of IAC/InterActiveCorp ("IAC").

Review of the business

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

	2015 \$000	2014 \$000	Change %
Loss on ordinary activities before taxation	(32,897)	(5,992)	(449)%
Intragroup loan interest expense	(7,013)	(6,078)	(15)%

The loss for the year, after taxation, amounts to \$33,964,000 (2014 - loss of \$6,914,000). The Company continued as a holding company during the year and suffered an interest expense on the intercompany loans outstanding at the balance sheet date. The increase in the loss is related to the impairment of investments. The Company received interim dividends during 2015 from Match.com Pegasus Limited, a wholly owned subsidiary, of \$1.6 million (2014: \$1.1 million).

Other than noted above, there have not been any significant changes in the Company's principal activities in the period under review.

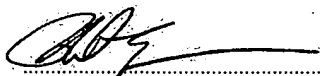
Principal risks and uncertainties

As a parent undertaking the principal risk relates to reliance on its profitable subsidiaries, which operate in a competitive market. The subsidiaries manage this risk by their ability to attract users to their websites, encourage such users to register on the websites, and ultimately to convert these registered users to subscribing members. This is contingent on the effectiveness of on-line and off-line advertising, the quality of the Company's websites, and the Company's ability to maintain productive relationships with its affiliate networks. No assurances can be provided that 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.

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. 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.

ON BEHALF OF THE BOARD:


P. Eigenmann - Director

Date: 22 December 2016

Independent auditors' report

to the members of Match.com Europe Limited

We have audited the financial statements of Match.com Europe Limited for the year ended 31 December 2015 which comprise Income Statement, Statement of Other Comprehensive Loss/Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 17. 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'.

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 auditor

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Strategic report, the Directors' report and audited financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent auditors' report (continued)

to the members of Match.com Europe Limited

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 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.

Ernst + Young LLP

Stuart Darrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

23 December 2016

Income statement

for the year ended 31 December 2015

	Notes	31 Dec 2015	31 Dec 2014
<i>(In thousands)</i>			
Turnover		\$ 4,608	\$ 2,363
Administrative expenses		(32,092)	(3,401)
Operating loss		(27,484)	(1,038)
Income from shares in group undertakings		1,600	1,124
Interest payable and similar charges	4	(7,013)	(6,078)
Loss on ordinary activities before taxation	5	(32,897)	(5,992)
Tax on loss on ordinary activities	6	(1,067)	(922)
Loss for the financial year		(33,964)	(6,914)

All amounts relate to continuing activities.

Other comprehensive loss/income

for the year ended 31 December 2015

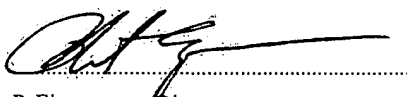
Notes	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Loss for the Financial Year	\$ (33,964)	\$ (6,914)
Other Comprehensive Income		
Translation adjustment	10,714	9,867
Other Comprehensive Income for the Year, Net of Income tax	10,714	9,867
Total Comprehensive (Loss)/Income for the Year	\$ (23,250)	\$ 2,953

Balance sheet
 at 31 December 2015

Registered No. 07661220

	Notes	31 Dec 2015	31 Dec 2014
		<i>(In thousands)</i>	
Fixed Assets			
Tangible assets	8	\$ 73	\$ 128
Investments	9	590,701	613,231
		<u>590,774</u>	<u>613,359</u>
Current Assets			
Debtors	10	2,671	911
Cash at bank		2,545	992
		<u>5,216</u>	<u>1,903</u>
Creditors			
Amounts falling due within one year	11	18,058	9,180
Net Current (Liabilities)/Assets		<u>(12,842)</u>	<u>7,727</u>
Total Assets Less Current Liabilities		<u>\$ 577,932</u>	<u>\$ 606,082</u>
Creditors			
Amounts falling due after more than one year	12	180,338	178,740
Net assets		<u>397,594</u>	<u>427,342</u>
Capital and Reserves			
Called up share capital	13	\$ 390,041	\$ 373,034
Capital contribution reserve	14	-	13,124
Translation adjustment	14	20,581	9,867
Retained earnings	14	(13,028)	31,317
Total Equity		<u>\$ 397,594</u>	<u>\$ 427,342</u>

The financial statements were approved by the Board of Directors on 22 December 2016 and were signed on its behalf by:


 P. Eigenmann - Director

Statement of changes in equity

at 31 December 2015

Registered No. 07661220

	Called up share capital	Retained Earnings	Capital contribution reserve	Translation adjustment	Total Equity
Balance at 1					
January 2014	\$ 362,284	\$ 38,231	\$ 13,124	\$ -	\$ 413,639
Changes in equity					
Issue of share capital	10,750				10,750
Total comprehensive (loss)/income	-	(6,914)	-	9,867	2,983
Balance at 31					
December 2014	\$ 373,034	\$ 31,317	\$ 13,124	\$ 9,867	\$ 427,342
Changes in equity					
Issue of share capital	17,007				17,007
Dividends	-	(10,381)	-	-	(10,381)
Capital contribution received in the period	-	-	(13,124)	-	(13,124)
Total comprehensive (loss)/income	-	(33,964)	-	10,714	(23,250)
Balance at 31					
December 2015	\$ 390,041	\$ (13,028)	\$ -	\$ 20,581	\$ 397,594

Notes to the financial statements

for the year ended 31 December 2015

1. Authorisation of Financial Statements and Compliance

The financial statements of Match.com Europe Limited (the 'Company') for the year ended 31 December 2015 were authorised for issue by the board of directors on 22 December 2016 and the balance sheet was signed on the board's behalf by P. Eigenmann. Match.Com Europe Limited is a company incorporated and domiciled in England and Wales.

2. Accounting policies

Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all period presented. Transition reconciliations showing all material adjustments are disclosed in note 17. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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. On first-time adoption of FRS 101 the company has taken advantage of the exemptions provided in paragraph 7A to exempt the company from the requirements of paragraph 6 and 21 of IFRS 1 to present an opening statement of financial position at the date of transition.

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 paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- 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;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- 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.

Notes to the financial statements

for the year ended 31 December 2015

2. Accounting policies (continued)

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 Global Investments SARL, 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 (or investees of the qualifying as related parties).

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of equitation, of each asset evenly over its expected useful life as follows:

- Furniture, fixtures and equipment – 5 years straight line basis
- Leasehold improvements – lesser of the estimated asset life or the remainder of the associated lease term

Going concern

The company is dependent upon continued support being made available by its ultimate parent undertaking IAC/InterActiveCorp to enable it to meet its liabilities as they fall due. The ultimate parent undertaking has expressed its willingness to provide financial support to Match.com Europe Limited to assist the company in meeting its liabilities 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, using tax rates enacted or substantially enacted by the balance sheet date.

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

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting 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.

Foreign Currencies

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 (2015 - \$1.00 = £0.6702, 2014 - \$1.00 = £0.6438). Exchange gains or losses are included in the profit and loss account. Gains and losses arising on translation of loans, which in substance forms part of the entity's net investment in foreign operations, held at subsidiaries with a different functional currency than the parent are recognised as translation adjustments through the statement of other comprehensive income and are not recognised in the income statement with other foreign currency gains and losses.

Notes to the financial statements

for the year ended 31 December 2015

2. Accounting policies (continued)

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.

3. Employees and Directors

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Wages and salaries	\$ 3,227	\$ 2,172

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

	31 Dec 2015	31 Dec 2014
Management, Operational and Admin	6	6

Certain individuals also held director positions within Match.com Europe Limited during the period, however, their emoluments were paid by other entities and only inconsequential services provided to the Company.

4. Interest Payable and Similar Charges

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Interest payable	\$ 7,013	\$ 6,078

5. Loss before Taxation

The loss before taxation (2014 – loss before taxation) is stated after charging:

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Depreciation – owned assets	\$ 42	\$ 10
Auditors' remuneration – audit services	19	18
Non-cash impairment charge on investment in subsidiary	22,530	-

See "9 – Investments" for discussion around the non-cash impairment charge on investment in subsidiary.

Notes to the financial statements

for the year ended 31 December 2015

6. Taxation

Analysis of tax expense

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Current tax:		
Total tax expense in income statement	\$ 1,067	\$ 922

Factors affecting the tax expense

The tax assessed for the year is lower (2014 – higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Loss on ordinary activities before income tax	\$ (32,897)	\$ (5,992)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 – 21.500%)	(6,662)	(1,288)
Effects of:		
Foreign tax suffered	\$ 1,067	\$ 922
Group relief	896	1,156
Non-deductible expenditure	4,570	418
Non-taxable income	(405)	(242)
Brought forward losses utilised	-	(44)
Deferred tax previously unrecognised	12	-
Losses carried forward and not recognised	1,589	-
Tax expense	\$ 1,067	\$ 922

Tax effects relating to effects of other comprehensive income

	31 Dec 2015		
	<i>(In thousands)</i>		
	Gross	Tax	Net
Translation adjustment	\$ (10,714)	\$ -	\$ (10,714)
	\$ (10,714)	\$ -	\$ (10,714)

7. Dividends

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Ordinary shares of 1 each		
Interim	\$ 10,381	\$ -

Notes to the financial statements

for the year ended 31 December 2015

8. Tangible Fixed Assets

	Fixtures and Fittings
Cost	
At 1 January 2015	\$ 138
Disposals	(4)
Exchange differences	(9)
At 31 December 2015	125
Depreciation	
At 1 January 2015	10
Charge for year	42
At 31 December 2015	52
Net Book Value	
At 31 December 2015	73
At 31 December 2014	\$ 128

9. Investments

	Shares in group undertakings
Cost	
At 1 January 2015 and 31 December 2015	\$ 613,231
Impairment	
At 1 January 2015	-
Impairment for the year	22,530
At 31 December 2015	22,530
Net Book Value	
At 31 December 2015	590,701
At 31 December 2014	\$ 613,231

An impairment analysis was performed related to the 2015 balance. A non-cash impairment charge was recognized as our analysis indicated the carrying value exceed the fair value of the asset analysed.

Notes to the financial statements

for the year ended 31 December 2015

9. Investments (continued)

Company	Country of Incorporation	Principal Activity		Share Capital	Interest
Match.com Pegasus Ltd	UK	Online dating	102	Ordinary shares	100% direct
Massive Media Match NV	Belgium	Online dating	2,065,907	Ordinary shares	100% direct
Friend Scout 24	Germany	Online dating	12	Ordinary shares	100% direct
Meetic S.A.	France	Online dating	23,322,259	Ordinary shares	99.3% direct
Match.com Global Services Ltd	UK	Online dating		Ordinary shares	100% indirect
Match Global Investments SARL	Luxembourg	Holding company		Ordinary and preferred shares	100% indirect
Match.com Canada	Canada	Online dating		Ordinary shares	100% indirect
MM Latam LLC	US	Holding company		Ordinary shares	100% indirect
Match.com Latam Ltd	UK	Online dating		Ordinary shares	100% indirect
Parperfeito Comunicacao SA	Brazil	Online dating		Ordinary shares	100% indirect
Matchcom Mexico S. de R.L. de C.V.	Mexico	Online dating		Ordinary shares	100% indirect
Nue.de	Germany	Online dating		Ordinary shares	99.3% indirect
Match.com International Ltd.	UK	Online dating		Ordinary shares	99.3% indirect
Match.com Nordic AB	Sweden	Online dating		Ordinary shares	99.3% indirect
Nexus Ltd	UK	Online dating		Ordinary shares	99.3% indirect
Massive Media Europe NV	Belgium	Online dating		Ordinary shares	99.3% indirect
Meetic Netherlands BV	Netherlands	Online dating		Ordinary shares	93.3% indirect
Meetic Italia SRL	Italy	Online dating		Ordinary shares	93.3% indirect
Meetic Espana SLU	Spain	Online dating		Ordinary shares	93.3% indirect
Dating Direct LTD	UK	Online dating		Ordinary shares	93.3% indirect
Massive Media Ltd	UK	Online dating		Ordinary shares	99.3% indirect

10. Debtors: Amounts Falling due within one Year

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Amounts owed by group undertakings	\$ 2,446	\$ -
VAT	129	369
Prepayments and accrued income	74	167
Prepayments	22	375
	<u>\$ 2,671</u>	<u>\$ 911</u>

Notes to the financial statements

for the year ended 31 December 2015

11. Creditors: Amounts Falling due within one Year

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Trade creditors	\$ 1	\$ 13
Amounts owed to group undertakings	15,896	3,856
Tax	36	-
Other creditors	-	4,090
Accrued expenses	2,125	1,221
	<u>\$ 18,058</u>	<u>\$ 9,180</u>

Loans advanced become due in September 2016 and bear interest at 2.91%.

12. Creditors: Amounts Falling due after more than one Year

	31 Dec 2015	31 Dec 2014
	<i>(In thousands)</i>	
Amounts owed to group undertakings	<u>\$ 180,338</u>	<u>\$ 178,740</u>

Loans advanced become due between January 2020 and September 2026 and bear interest at rates between 3.57% and 5.00%.

13. Called Up Share Capital

			31 Dec 2015	31 Dec 2014
			<i>(In thousands)</i>	
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:		
232,296,179				
(2014: 229,739,124)	Ordinary	£1	<u>\$ 390,041</u>	<u>\$ 373,034</u>

14. Reserves

	Retained earnings	Translation adjustment	Totals
	<i>(In thousands)</i>		
At 1 January 2015	\$ 31,317	\$ 9,867	\$ 41,184
Loss for the year	(33,964)	-	(33,964)
Dividends	(10,381)	-	(10,381)
Translation adjustment	-	10,714	10,714
At 31 December 2015	<u>\$ (13,028)</u>	<u>\$ 20,581</u>	<u>\$ 7,553</u>

Notes to the financial statements

for the year ended 31 December 2015

15. Ultimate Parent Company

The Company is a wholly-owned subsidiary of Match.com Foreign Holdings III Limited, a company which is incorporated in the United Kingdom, which in turn, is a wholly-owned subsidiary of IAC/InterActiveCorp, a company incorporated in the USA.

IAC/InterActiveCorp heads the largest group of which Match.com Latam 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.

16. Related Party Disclosures

As the Company is a wholly-owned subsidiary of Match.com Foreign Holdings III 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.

Reconciliation of equity

1 January 2014 (Date of Transition to FRS 101)

17. Transition to FRS 101

	<u>Notes</u>	<u>UK GAAP</u>	<u>Effect of transition to FRS 101</u>	<u>FRS 101</u>
			<i>(In thousands)</i>	
Fixed Assets				
Investments		\$ 518,853	\$ -	\$ 518,853
Current Assets				
Debtors		98	-	98
Cash at bank		1,486	-	1,486
		1,584	-	1,584
Creditors				
Amounts falling due within one year		(6,125)	-	(6,125)
Net Current Liabilities		(4,541)	-	(4,541)
Total Assets less Current Liabilities		514,312	-	514,312
Creditors				
Amounts falling due after more than one year		(99,673)	-	(99,673)
Net Assets		\$ 414,639	\$ -	\$ 414,639
Capital and Reserves				
Called up share capital		362,284	-	362,284
Translation adjustment		13,124	-	13,124
Retained earnings		39,231	-	39,231
Shareholders' Funds		\$ 414,639	\$ -	\$ 414,639

Reconciliation of equity - continued

31 December 2014

17. Transition to FRS 101 (continued)

	<u>Notes</u>	<u>UK GAAP</u>	<u>Effect of transition to FRS 101</u>	<u>FRS 101</u>
<i>(In thousands)</i>				
Fixed Assets				
Tangible assets		\$ 128	\$ -	\$ 128
Investments		613,231	-	613,231
		613,359	-	613,359
Current Assets				
Debtors		911	-	911
Cash at bank		992	-	992
		1,903	-	1,903
Creditors				
Amounts falling due within one year		(9,180)	-	(9,180)
Net Current Liabilities		(7,277)	-	(7,277)
Total Assets less Current Liabilities				
		606,082	-	606,082
Creditors				
Amounts falling due after more than one year		(178,740)	-	(178,740)
Net Assets		\$ 427,342	\$ -	\$ 427,342
Capital and Reserves				
Called up share capital		373,034	-	373,034
Capital contribution reserve		13,124	-	13,124
Translation adjustment		9,867	-	9,867
Retained earnings		31,317	-	31,317
Shareholders' Funds		\$ 427,342	\$ -	\$ 427,342

Reconciliation of loss

For the year ended 31 December 2014

17. Transition to FRS 101 (continued)

Notes	UK GAAP	Effect of transition to FRS 101	FRS 101
<i>(In thousands)</i>			
Turnover	\$ -	\$ 2,363	\$ 2,363
Administrative expenses	(1,038)	(2,363)	(3,401)
Operating Loss	(1,038)	-	(1,038)
Income from shares in group undertakings	1,124	-	1,124
Interest payable and similar charges	(6,078)	-	(6,078)
Loss on ordinary activities before taxation	(5,992)	-	(5,992)
Tax on loss on ordinary activities	(922)	-	(922)
Loss for the financial year	\$ (6,914)	\$ -	\$ (6,914)

Notes to the reconciliation of profit or loss

An entity shall not offset assets and liabilities or income and expenses unless required or permitted by an IFRS. This has led to the following adjustments:

Turnover has increased by	\$2,363,000
Administrative expenses have increased by	\$2,363,000

Accordingly, the recharge of administrative expenses has been disclosed as income and related expense in the statement of comprehensive income.

Profit and loss account

For the year ended 31 December 2015

17. Transition to FRS 101 (continued)

	31 Dec 2015	31 Dec 2014
<i>(In thousands)</i>		
Turnover		
Corporate allocation	\$ 4,608	\$ 2,363
Other income		
Shares in group undertakings	1,600	1,124
	6,208	3,487
Expenditure		
Rent, rates and insurance	152	64
Wages	3,227	2,172
Telephone	30	10
Travel and accommodation	137	59
Licences and insurance	40	1
Repairs and renewals		5
Recruitment costs	35	219
General expenses	(9)	1,905
Professional charges	2,884	298
Bad debts	(7)	37
Gain on contingent consideration	(364)	
Impairment expense	22,530	
	28,655	4,770
	(22,447)	(1,283)
Finance costs		
Bank charges	8	
Foreign exchange (gain)/loss	3,387	(1,379)
Interest payable	7,013	6,078
	10,408	4,699
	(32,855)	(5,982)
Depreciation		
Plant and machinery	42	10
Net Loss	\$ (32,897)	\$ (5,992)