

Venntro Media Group Limited
(formerly Global Personals Limited)

Report and Financial Statements

Year Ended

31 August 2015

Company Number 04880697

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Venntro Media Group Limited

Report and financial statements for the year ended 31 August 2015

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Directors

R Williams
S Pammenter
D Damiano
B Frost

Secretary and registered office

D Damiano, Minton Place, Victoria Street, Windsor, Berkshire, SL4 1EG

Company number

04880697

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

Venntro Media Group Limited

Strategic report for the year ended 31 August 2015

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

The principal activity of the company in the year under review was that of an online dating company.

Review of the business

The financial year ending 31st August 2015 was a challenging one for the company. Throughout the twelve month period, the online dating industry experienced a number of seismic shifts that left even the most well established companies facing major challenges. When online dating apps flooded the market at the end of 2014 adoption was rapid and widespread. This change in market dynamics impacted companies that operated traditional paid subscription models as consumers opted for free and low cost apps. As a result, revenue of these traditional model businesses suffered.

One year on and both of these groups have realigned their focus and adapted their business models in a way that enables them to co-exist. Low cost products are recognised more for their casual dating function while consumers now better understand the place, and the value, of traditional online dating models in providing them with serious relationships. The management of the company believe that the Venntro portfolio approach leaves them well positioned to provide customers with the serious relationship experience that the market is returning to.

The decline in company revenue in the year was not unexpected. As stated last year, a strategic decision was taken to cease marketing spend on our own branded B2C sites and as a consequence of this we were prepared for a reduction in B2C revenue, however, this also resulted in an increased contribution to EBITDA margin. The decline in our core WLD revenues was disappointing but we feel that this can be attributed to general market conditions; in particular, member acquisition challenges can be aligned to the competitive nature of the marketplace and temporary shift in demand, as evidenced by the fall in basic registrations across the company.

In last year's Strategic report we identified the USA as a particular area of focus and performance in that market remains encouraging with significant year on year growth (August '15 vs August '14) in paying members (32%) and daily registrations (307%).

The year also saw an improvement in the company cash position. The cash inflow from operating activities increased by 90% in the year to £1.97M (FY 2014 - £1.04M) and there was an overall increase in cash of £743k (FY 2014 - £2.8M decrease).

Despite the challenges the company faced in 2015, with a decline in revenue and profit, the year was spent completing extensive work stabilising the core business as well as establishing the Venntro portfolio of associated businesses, enabling the company to move quickly into potential growth areas in line with market demand. As a result, the management team are confident that Venntro is strongly positioned to return to growth in 2016

Key performance indicators

Among the key financial indicators that the company uses to monitor and measure performance are the number of basic registration sign ups and daily cash collected. The performance in the year was as follows:

	2015	2014
Basic registrations (000's)	9,396	11,187
Daily cash collected (£'000)	107.9	131.5

The company also monitors and measures non-financial metrics to determine business performance and, as in previous years, two of the most significant of these remain staff retention and application uptime.

Venntro Media Group Limited

Strategic report for the year ended 31 August 2015

Principal risks and uncertainties

The company's activities expose it to the risks of changes in foreign currency exchange rates. The company aims to reduce this exposure by holding the majority of cash balances in sterling. As International revenues and associated costs of the company grow further policies will be reviewed and implemented as necessary to minimise this risk.

To manage any liquidity risk to the business and to ensure that sufficient funds are available for on-going operations and future developments the Directors review the cash flow forecast and foreseeable needs on a monthly basis. As a result of this review process the company decided not to renew its RCF facility signed in September 2014 but instead to signed an overdraft agreement in September 2015 to ensure that the company will be able to meet any financial obligations as they fall due.

The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the performance of the group.

The company relies on the relationships with banks and credit card processing companies to enable it to collect payments from customers. These relationships are actively managed and periodically reviewed by management to ensure that any risk is spread across multiple relationships and alternative providers are identified which are easy to integrate if any change in processing was required.

Any disruption to the company's managed data centre would have an immediate impact on our thousands of sites and the associated user experience. To ensure against this we work diligently with our 3rd party supplier in its world class data centre to ensure that the likelihood of any downtime is negligible. Our server infrastructure has been designed to ensure the highest level of redundancy available in the marketplace for the Global Personals platform.

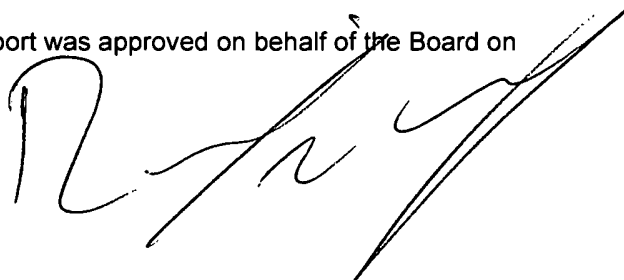
Approval

This strategic report was approved on behalf of the Board on

19 April 2016.

R Williams

Director



Venntro Media Group Limited

Report of the directors for the year ended 31 August 2015

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

Change of name

The company changed its name from Global Personals Limited to Venntro Media Group Limited on 29 May 2015.

Future developments

Likely future developments in the business of the group are discussed in the strategic report.

Research and development

The Group invests in an active programme of innovation in support of its core business streams. This programme includes the conception, design, production and testing of new product features to enhance the quality, efficiency and effectiveness of the Group's products. The Group's total research and development expenditure in 2015 was £530,570 (2014 - £444,000).

Dividends

No dividend was paid or declared during the year (2014 - £1,000,000).

Directors

The directors of the company during the year were:

R Williams
S Pammenter
D Damiano
B Frost

Statement of disclosure of information to auditors

Each person who is a director at the date of this report confirms that:

1. as far as each of them is aware, there is no information relevant to the audit of the Company's consolidated financial statements for the year ended 31 August 2015 of which the auditors are unaware; and
2. the director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish the Company's auditors are aware of that information.

Venntro Media Group Limited

Report of the directors for the year ended 31 August 2015 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the directors' report, strategic 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 group and company financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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 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.

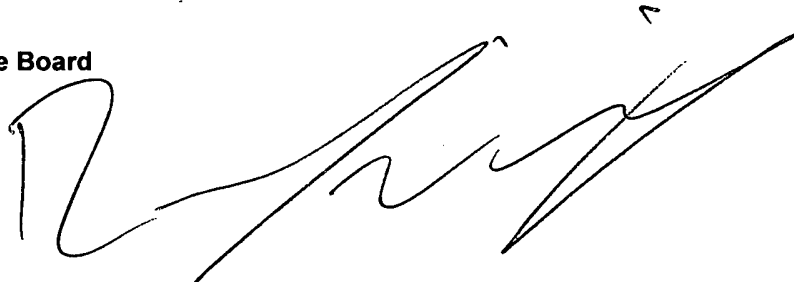
Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

R Williams

Director



Date 19 April 2016

Venntro Media Group Limited

Independent auditor's report

TO THE MEMBERS OF VENNTRO MEDIA GROUP LIMITED

We have audited the financial statements of Venntro Media Group Limited for the year ended 31 August 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement 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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2015 and of the group's profit for the year 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 matters 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.

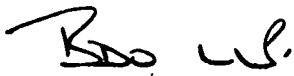
Venntro Media Group Limited

Independent auditor's report (*continued*)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



*Simon Brooker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

Date *19 April 2016*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Venntro Media Group Limited

Consolidated profit and loss account for the year ended 31 August 2015

	Note	2015 £	2014 £
Turnover	2	35,220,853	44,343,102
Cost of sales		(18,162,307)	(20,536,089)
Gross profit		17,058,546	23,807,013
Administrative expenses		(16,112,500)	(21,499,979)
Operating profit	5	946,046	2,307,034
Interest receivable and similar income		5,082	15,971
Interest payable and similar charges		(17,851)	(1,648)
Profit on ordinary activities before taxation		933,277	2,321,357
Taxation	6	(154,324)	(690,645)
Profit on ordinary activities after taxation	18,19	778,953	1,630,712

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 11 to 25 form an integral part of these financial statements.

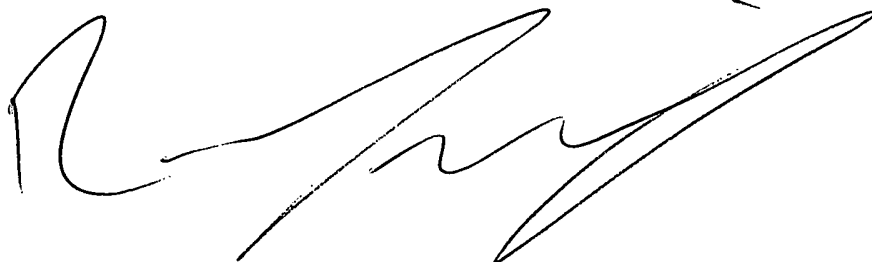
Venntro Media Group Limited

Consolidated balance sheet at 31 August 2015

Company number 04880697	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Intangible assets	10		617,622		1,415,420
Tangible assets	11		3,680,428		3,740,847
			4,298,050		5,156,267
Current assets					
Debtors	13	5,148,977		5,361,982	
Cash at bank and in hand		963,485		219,857	
Total Current assets		6,112,462		5,581,839	
Creditors: amounts falling due within one year	14	3,440,275		3,795,466	
Deferred income		3,158,731		3,917,164	
Net current liabilities			(486,544)		(2,130,791)
Provisions	15		(41,503)		(34,426)
			3,770,003		2,991,050
Capital and reserves					
Called up share capital	16		100		100
Retained earnings	18		3,769,903		2,990,950
Shareholders' funds	19		3,770,003		2,991,050

The financial statements were approved by the Board of Directors and authorised for issue on 19/04/16.

R Williams
Director



The notes on pages 11 to 25 form an integral part of these financial statements.

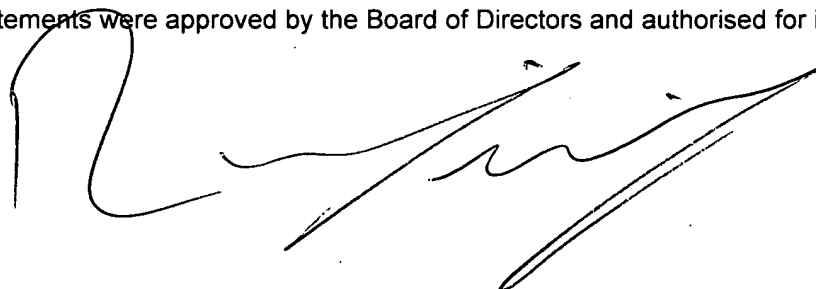
Venntro Media Group Limited

Company balance sheet at 31 August 2015

Company number 04880697	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Intangible assets	10		617,622		739,722
Tangible assets	11		3,313,392		3,251,465
Fixed asset investments	12		-		337,884
			<hr/>		<hr/>
			3,931,014		4,329,071
Current assets					
Debtors	13	7,493,345		7,235,753	
Cash at bank and in hand		876,136		187,870	
		<hr/>		<hr/>	
		8,369,481		7,423,623	
Creditors: amounts falling due within one year					
Deferred income	14	3,293,428		3,668,601	
		3,024,579		3,883,047	
		<hr/>		<hr/>	
		6,318,007			
Net current assets / (liabilities)			2,051,474		(128,025)
Provisions	15		(41,503)		(53,948)
			<hr/>		<hr/>
			5,940,985		4,147,098
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		100		100
Retained earnings	18		5,940,885		4,146,998
			<hr/>		<hr/>
Shareholders' funds	19		5,940,985		4,147,098
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 19/04/16.

R Williams
Director



The notes on pages 11 to 25 form an integral part of these financial statements.

Venntro Media Group Limited

Consolidated cash flow statement for the year ended 31 August 2015

	Note	2015 £	2015 £	2014 £	2014 £
Net cash inflow from operating activities	21		1,975,456		1,037,508
Return on investment and servicing of finance					
Interest received		5,082		15,971	
Interest paid		(17,851)		(1,648)	
			(12,769)		14,323
Taxation					
UK corporation tax paid			(436,852)		(885,176)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	11	(1,392,207)		(1,934,149)	
Purchase of intangible assets	10	-		(58,602)	
Receipts from sale of assets		110,000		-	
			(1,282,207)		(1,992,751)
Equity dividends paid	7		-		(1,000,000)
Financing					
Bank Loans			500,000		-
Increase in cash	22,23		743,628		(2,826,096)

The notes on pages 11 to 25 form an integral part of these financial statements.

Venntro Media Group Limited

Notes forming part of the financial statements for the year ended 31 August 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards.

The following principal accounting policies have been applied:

Basis of accounting

The financial statements are prepared under the historical cost convention and on a going concern basis.

Basis of consolidation

The financial statements consolidate the financial statements of Venntro Media Group Limited and its subsidiary undertakings for the year to 31 August 2015 using the acquisition method of accounting. Intra-group transactions are eliminated in full.

Going concern

The directors have prepared forecasts to demonstrate that the credit facility obtained post year end and the current reserves give the group sufficient funding for on-going operations. As such, the directors have adopted the going concern basis in preparing these financial statements.

Turnover and revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the group and the revenue can be reliably measured.

Turnover represents membership subscription fees and advertising revenue generated from customers who subscribe to online dating services. There are two divisions which are:

- Business to Customer - Own brand dating sites
- Business to Business - Website platforms provided and managed for brand and media owner

Deferred revenue is recognised on payments being made in advance and in full for membership subscriptions. The revenue is spread on a straight line basis over the subscription period. The same basis of recognition is applied to the associated partner share of revenues.

Accrued revenue is recognised where subscriptions have been placed but where cash has not yet cleared the bank.

Depreciation

Tangible assets are held at cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Leasehold improvements - Recognised over the lifetime of the lease
- Fixtures, fittings and equipment - 25% straight line
- Platform - 20% straight line
- Motor Vehicles - 33% straight line

Venntro Media Group Limited

Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

1 Accounting policies (*continued*)

Acquired intangible assets

Intangible assets are recognised at cost and are amortised on a straight line basis over the estimated useful life at the following rates:

Domain names - 5 - 10 years

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leases

Operating leases have their annual rentals charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date. Foreign currency transactions are expressed in sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses and translation differences are taken directly to the profit and loss account.

Associates

An entity is treated as an associated undertaking where the group has a participating interest and exercises significant influence over its operating and financial policy decisions.

In the financial statements, interests in associated undertakings are accounted for using the equity method of accounting. The profit and loss account includes the group's share of the operating results (unless deemed immaterial by management).

Impairments

The need for any impairment is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Venntro Media Group Limited

Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

1 Accounting policies (*continued*)

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as cash and short term deposits.

Goodwill

Goodwill arising on acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the net identifiable assets and liabilities. Positive goodwill is capitalised and amortised through the profit and loss over the directors' estimate of its useful life, being 20 years. Impairment tests on the carrying value of goodwill are undertaken:

- At the end of the first full year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

2 Turnover

Turnover is wholly attributable to the principal activity of the group and is split as follows:

	2015 £	2014 £
United Kingdom	26,691,134	32,830,174
Rest of Europe	692,416	1,028,759
Rest of the World	7,837,303	10,484,169
	<hr/>	<hr/>
	35,220,853	44,343,102
	<hr/>	<hr/>

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

3 Employees

	2015 £	2014 £
Staff costs, including directors, consist of:		
Wages and salaries	6,549,987	6,367,770
Social security costs	721,348	707,324
Other pension costs	112,847	114,368
	<u>7,384,182</u>	<u>7,189,462</u>

The average number of employees, including directors, during the year was:

	2015 Number	2014 Number
Development	40	41
Administration	87	81
Sales and marketing	34	45
	<u>161</u>	<u>167</u>

4 Directors' remuneration

	2015 £	2014 £
Directors' remuneration consists of:		
Emoluments	1,078,133	1,554,437
Company contributions to money purchase pension schemes	13,833	22,662
	<u></u>	<u></u>
Highest paid director		
Emoluments	363,668	462,857
	<u></u>	<u></u>

There was 1 director in the company's defined contribution pension scheme during the year (2014 - 3).

There was 1 director in the company's personal pension scheme during the year (2014 - 1).

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

5 Operating profit

	2015 £	2014 £
This has been arrived at after charging/(crediting):		
Amortisation	149,121	267,445
Depreciation	1,452,535	1,229,799
Impairment of goodwill	637,451	499,362
Research and development	530,570	444,000
Profit on disposal of assets	(98,684)	(2,500)
Fee payable to company's auditor in respect of the statutory audit of the financial statements	55,470	46,712
Realised and unrealised foreign exchange losses	162,072	98,853
Operating lease rentals - land and buildings	565,055	536,918

6 Taxation on profit from ordinary activities

	2015 £	2014 £
<i>Current tax</i>		
UK corporation tax on profits of the year	311,202	820,749
Adjustment to tax charge in respect of previous years	(163,957)	(130,496)
Total current tax	147,245	690,253
<i>Deferred tax (note 15)</i>		
Origination of timing differences	7,079	392
	7,079	392
Total tax charge	154,324	690,645

Venntro Media Group Limited

Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

6 Taxation on profit from ordinary activities (continued)

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	933,277	2,321,358
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.58 % (2014 - 22.00%)	192,068	514,412
Effects of:		
Overseas losses not subject to UK tax	72,044	103,658
Expenses not deductible for tax purposes	101,719	54,004
Effects of impairment	-	110,659
Adjustment to tax charge in respect of previous years	(163,957)	(130,496)
Fixed asset ineligible depreciation	(1,856)	6,103
Other differences	(52,773)	31,913
Current tax charge for year	147,245	690,253

7 Dividends

	2015 £	2014 £
£ Nil Dividend paid (2014 - £10.00) per share	-	1,000,000

8 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in those financial statements. The group profit for the year includes a profit after tax of £1,793,887 (2014 - £1,854,344) which is dealt with in the financial statements of the parent company.

Venntro Media Group Limited

Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

9 Associate

£

Cost

At 1 September 2014 and at 31 August 2015

120,000

Provision for impairment

At 1 September 2014 and at 31 August 2015

(120,000)

Net book value

At 31 August 2014 and 31 August 2015

-

The investment relates to Servicepals Limited, a business providing social networking sites for armed forces personnel.

Venntro Media Group Limited retains a 40% interest in the business. Servicepals is accounted for as an associate as at the 31 August 2015.

The results and financial position of Servicepals Limited for the period were immaterial to the group in both the current and prior year and have therefore not been consolidated.

10 Intangible assets

Impairment testing

The recoverable amount of goodwill has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

	2015	2014
<i>Period on which management approved forecasts are based</i>	5 years	5 years
<i>Growth rate applied beyond approved forecast period to present value of future cash flows</i>	2%	2%
<i>Average discount rate (post tax)</i>	13%	13%

Forecasts used for the 2015 to 2019 years reflect internal management forecasts based on past performance and the experience of growth rates.

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

10 Intangible assets (*continued*)

The growth rates used in the value in use calculation beyond 2019 are in line with the expected long term UK inflation rate.

Group	Goodwill £	Domain names £	Total £
<i>Cost</i>			
At 1 September 2014	1,330,257	1,216,660	2,546,917
Disposals	-	(195,396)	(195,396)
At 31 August 2015	1,330,257	1,021,264	2,351,521
<i>Amortisation and impairment</i>			
At 1 September 2014	654,559	476,938	1,131,497
Charge for the year	38,247	110,874	149,121
Impairment	637,451	-	637,451
Disposals	-	(184,170)	(184,170)
At 31 August 2015	1,330,257	403,642	1,733,899
<i>Net book value</i>			
At 31 August 2015	-	617,622	617,622
At 31 August 2014	675,698	739,722	1,415,420

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

10 Intangible assets (*continued*)

Company	Domain Names £
<i>Cost</i>	
At 1 September 2014	1,216,660
Disposals	(195,396)
	<hr/>
At 31 August 2015	1,021,264
	<hr/>
<i>Amortisation</i>	
At 1 September 2014	476,938
Charge for the year	110,874
Disposals	(184,170)
	<hr/>
At 31 August 2015	403,642
	<hr/>
<i>Net book value</i>	
At 31 August 2015	617,622
	<hr/>
At 31 August 2014	739,722
	<hr/>

11 Tangible assets

Group	Vehicles £	Platform £	Leasehold Improvements £	Fixtures, fittings and Equipment £	Total £
<i>Cost</i>					
At 1 September 2014	17,095	5,961,591	501,351	753,046	7,233,083
Additions	-	1,337,195	21,865	33,147	1,392,207
Disposals	-	(223,812)	(173,031)	(342,811)	(739,654)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	17,095	7,074,974	350,185	443,382	7,885,636
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 September 2014	788	2,714,171	297,043	480,234	3,492,236
Charge for the year	2,365	1,264,719	64,106	121,345	1,452,535
Disposals	-	(223,812)	(173,031)	(342,720)	(739,563)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	3,153	3,755,078	188,118	258,859	4,205,208
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 August 2015	13,942	3,319,896	162,067	184,523	3,680,428
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	16,307	3,247,420	204,308	272,812	3,740,847

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

11 Tangible assets (*continued*)

<i>Company</i>	Vehicles £	Platform £	Leasehold Improvements £	Fixtures, fittings and Equipment £	Total £
<i>Cost</i>					
At 1 September 2014	17,095	5,075,854	501,351	737,834	6,332,134
Additions	-	1,170,478	21,865	33,147	1,225,490
Disposals	-	(214,250)	(173,031)	(327,598)	(714,879)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	17,095	6,032,082	350,185	443,383	6,842,745
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 September 2014	788	2,317,532	297,043	465,306	3,080,669
Charge for the year	2,365	975,942	64,106	121,060	1,163,473
Disposals	-	(214,250)	(173,031)	(327,508)	(714,789)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	3,153	3,079,224	188,118	258,858	3,529,353
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 August 2015	13,942	2,952,858	162,067	184,525	3,313,392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	16,307	2,758,322	204,308	272,528	3,251,465
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

12 Fixed asset investments

Company	Subsidiary Undertaking £
Cost	
At 1 September 2014	1,437,747
Additions	-
	<hr/>
At 31 August 2015	1,437,747
	<hr/>
<i>Amortisation and impairment</i>	
At 1 September 2014	1,099,863
Impairment	337,884
	<hr/>
At 31 August 2015	1,437,747
	<hr/>
<i>Net book value</i>	
At 31 August 2015	-
	<hr/>
At 31 August 2014	337,884
	<hr/>

Holdings of more than 20%

The Company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %	Nature of Business
Subsidiary Undertakings				
Woowise Limited	England	Ordinary	100	Online Dating
Whitelabeldating.com Limited	England	Ordinary	100	Online Dating
White Label Dating, Inc.	USA	Ordinary	100	Online Dating
Venntro Limited	England	Ordinary	100	Online Media
Venntro Media Limited	England	Ordinary	100	Online Media
Venntro, Inc.	USA	Ordinary	100	Online Dating
Jiko Limited	England	Ordinary	100	Online Dating
Casualix Limited	England	Ordinary	100	Online Dating
Associated Undertakings				
Servicepals.com Limited	England	Ordinary	40	Online Dating

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

13 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	280,307	73,386	251,589	68,541
Other debtors	1,614,095	1,823,251	1,604,913	1,790,923
Directors' loans (note 20)	321,500	250,225	321,500	250,225
Prepayments	2,055,256	2,249,425	1,935,586	2,232,022
Accrued income	877,819	965,695	861,458	958,059
Amounts due from subsidiary undertakings	-	-	2,518,299	1,935,983
	<u>5,148,977</u>	<u>5,361,982</u>	<u>7,493,345</u>	<u>7,235,753</u>

All amounts shown under debtors are due for payment within one year.

14 Creditors: amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	1,495,929	1,682,628	1,404,796	1,604,784
Other taxation and social security	480,612	489,193	468,487	483,161
Bank loan	500,000	-	500,000	-
Corporation tax	58,548	348,153	58,548	348,153
Other creditors	10,931	22,970	8,540	22,971
Accruals	894,255	1,252,522	853,057	1,209,532
	<u>3,440,275</u>	<u>3,795,466</u>	<u>3,293,428</u>	<u>3,668,601</u>

15 Provisions

Group	Deferred Taxation £
At 1 September 2014	34,426
Charged to profit and loss account (note 6)	7,077
	<u>41,503</u>
Balance at 31 August 2015	
	<u>41,503</u>
Company	
At 1 September 2014	53,948
Charged to profit and loss account	(12,445)
	<u>41,503</u>
Balance at 31 August 2015	
	<u>41,503</u>

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

16 Share capital

	2015 Number	Allotted, issued and fully paid 2014 Number	2015 £	2014 £
Ordinary shares of £0.001 each	100,000	100,000	100	100

17 Commitments under operating leases

As at 31 August 2015, the group had annual commitments under non-cancellable operating leases as set out below:

	2015 Land and buildings £	2014 Land and buildings £
Operating leases which expire:		
Within one year	146,417	-
In two to five years	744,000	397,417
In over five years	2,956,650	3,106,372
	<u>3,847,067</u>	<u>3,503,789</u>

18 Reserves

	Profit and loss account £
Group	
At 1 September 2014	2,990,950
Profit for the year	778,953
Dividends (note 7)	-
	<u>3,769,903</u>
At 31 August 2015	
Company	
At 1 September 2014	4,146,998
Profit for the year	1,793,887
Dividends (note 7)	-
	<u>5,940,885</u>
At 31 August 2015	

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

19 Reconciliation of movements in shareholders' funds

Group	2015 £	2014 £
Profit for the financial year	778,953	1,630,712
Dividends (note 7)	-	(1,000,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	778,953	630,712
	<hr/>	<hr/>
Opening shareholders' funds	2,991,050	2,360,338
	<hr/>	<hr/>
Closing shareholders' funds	3,770,003	2,991,050
	<hr/>	<hr/>
Company		
Profit for the financial year	1,793,887	1,854,344
Dividends (note 7)	-	(1,000,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,793,887	854,344
	<hr/>	<hr/>
Opening shareholders' funds	4,147,098	3,292,754
	<hr/>	<hr/>
Closing shareholders' funds	5,940,985	4,147,098
	<hr/>	<hr/>

20 Related party transactions

R Williams received dividends of £ Nil during the year (2014 - £725,000). No amounts were outstanding at year end (2014 - £Nil).

R Williams is the owner of three domain names registered with Venntro Media Group Limited. He received £6,129 in partner share revenues during the year (2014 - £14,007). No amounts were outstanding at year end (2014 - £Nil).

S Pammenter received dividends of £ Nil during the year (2014 - £225,000). No amounts were outstanding at year end (2014 - £Nil).

S Pammenter took an additional £80,000 directors' loan (2014 - £Nil). £321,500 was outstanding at year end (2014 - £250,000).

Venntro Media Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

21 Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	2014 £
Operating profit	946,046	2,307,034
Depreciation (note 11)	1,452,534	1,231,510
Amortisation (note 10)	149,121	267,313
Impairment of goodwill (note 10)	637,451	499,362
Gain on disposal of assets (note 5)	(98,684)	(2,500)
Increase in debtors	213,006	(1,507,137)
Decrease in creditors	(1,324,018)	(1,758,074)
Net cash inflow from operating activities	1,975,456	1,037,508

22 Reconciliation of net cash inflow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash in the year	743,628	(2,826,095)
Cash inflow from changes in debt	(500,000)	
Movement in net funds resulting from cash flows in the year	243,628	(2,826,096)
Opening net funds	219,857	3,045,952
Closing net funds	463,485	219,857

23 Analysis of net funds

	At 1 September 2014 £	Cash flow £	At 31 August 2015 £
Cash in hand and at bank	219,857	743,628	963,485
Bank loan	-	(500,000)	
Total	219,857	243,628	463,845

24 Ultimate controlling party

The ultimate controlling party is R Williams by virtue of his shareholding in Venntro Media Group Limited.

25 Post balance sheet events

In September 2015 the Group signed an overdraft agreement for £500,000 with their bank.