Company registration number 04880697 (England and Wales)

VENNTRO MEDIA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

VENNTRO MEDIA GROUP LIMITED

COMPANY INFORMATION

Directors	R Williams	
	D Adams	(Appointed 1 October 2022)
Company number	04880697	
Registered office	First Floor, The Switch 1-7 The Grove Slough Berkshire England SL1 1QP	
Auditor	FLB Audit LLP 1010 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS	

VENNTRO MEDIA GROUP LIMITED

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VENNTRO MEDIA GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business
In our 2020 report we reported that the Business had started to invest in more own-brand sites to better manage growth and improve margins. In 2021 we saw a 6% increase in revenues from these own-brand sites and I stated that we expect this to increase significantly in 2022 as a result of this continued investment.

I am therefore delighted to report that we successfully increased our gross profit margin before depreciation by 14% between 2021 and 2022, while simultaneously increasing online marketing by 39% to £823,912. We expect this investment to continue to benefit the business in 2023.

Furthermore, our net non-core (advertising revenues) remained broadly stable despite a decline in core revenues due to our focus on margin optimisation.

Our salary and labour costs reduced by c31% year over year despite significant one-off restructuring costs. This also resulted in a lower ongoing run-rate into 2023 to further contribute to bottom line profitability.

This year we report an EBITDA loss of £254,892 as a result of our increased investment in marketing totalling £823,912. We regard this investment as discretionary and we expect this investment to help to drive revenues in 2023. Our statutory operating loss was £794,926 (2021 loss of £543,277).

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.

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 Venntro Media Group's platform.

Key performance indicators

The directors believe the KPIs of the Group are revenue and results before tax. During the year ended 31 December 2022 the revenue of group is £6,312,520 (2021: £9,660,837) and generated a loss before tax of £842,216 (2021: £560,957).

On behalf of the board

R Williams
Director

29 September 2023

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities
The principal activity of the company and group continued to be that of an online dating platform Software as a Service (SaaS) business.

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £53,694. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Pammenter	(Resigned 31 May 2022)
R Williams	
D Adams	(Appointed 1 October 2022)

Auditor
The auditor, FLB Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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). 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Going Concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary, explain how the directors have reached that conclusion.

The Group made a loss before tax of £842,217 for the year ended 31 December 2022 and had net current liabilities of £317,536 as at 31 December 2022.

Management have prepared a cash flow forecast for the period to 31 December 2024 which indicate the Group will be able to discharge its liabilities as they fall due for that period. The Directors have continued to reduce the operating costs of the Group and improve the profitability of the Group subsequent to the period end and have further opportunity to reduce costs if necessary, however there is limited headroom in the forecast and cash facilities available to the Group. Should the Group's performance fall behind forecast a further injection of working capital may be required which indicates the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern. However, the Directors are of the opinion that the Group can continue to operate within its facilities and that these could be either replaced or extended if required.

Accordingly, they consider the Group will continue as a going concern, meeting its liabilities as they fall due. The financial statements have therefore been prepared on the going concern basis. The financial statements do not include the adjustments that would result if the Group is unable to continue as going concern.

On behalf of the board

R Williams
Director

29 September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VENNTRO MEDIA GROUP LIMITED

Opinion

We have audited the financial statements of Venntro Media Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 December 2022 and of the group's loss 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.

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. We are independent of the group and parent 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.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to going concern Note 1.4 of the financial statements concerning the company's ability to continue as a going concern. The matters explained in going concern note to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent 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 parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understating of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at company levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the companies Act 2006, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and assessing the treatment of non-routine transactions. Our audit procedures to respond to revenue recognition risks included sample testing revenue across the period and deferred revenue as at period end to agree to supporting documentation, and reviewing revenue received either side of the period end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Daniel Faust (Senior Statutory Auditor)
For and on behalf of FLB Audit LLP
Statutory Auditor
1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

29 September 2023

VENNTRO MEDIA GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	**3**	6,312,520	9,660,837
Cost of sales		(3,450,859)	(5,405,252)
Gross profit		2,861,661	4,255,585
Distribution costs		(1,233,307)	(1,456,030)
Administrative expenses		(2,423,666)	(3,342,833)
Other operating income		387	-
Operating loss	**4**	(794,925)	(543,278)
Interest receivable and similar income	**8**	409	7,841
Interest payable and similar expenses	**9**	(47,700)	(25,521)
Loss before taxation		(842,216)	(560,958)
Tax on loss	**10**	-	202,257
Loss for the financial year		(842,216)	(358,701)

Total comprehensive income for the year is all attributable to the owners of the parent company.

VENNTRO MEDIA GROUP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	**12**		1,511,753		1,645,370
Tangible assets	**13**		5,979		7,908
			1,517,732		1,653,278
Current assets					
Debtors	**17**	1,085,451		1,822,383	
Cash at bank and in hand		121,439		167,484	
		1,206,890		1,989,867	
Creditors: amounts falling due within one year	**18**	(2,682,708)		(2,594,210)	
Net current liabilities			(1,475,818)		(604,343)
Total assets less current liabilities			41,914		1,048,935
Creditors: amounts falling due after more than one year	**19**		(268,519)		(379,630)
Net (liabilities)/assets			(226,605)		669,305
Capital and reserves					
Called up share capital	**24**		100		100
Profit and loss reserves			(226,705)		669,205
Total equity			(226,605)		669,305

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

R Williams
Director

Company registration number 04880697 (England and Wales)

VENNTRO MEDIA GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	**12**		1,511,754		1,645,371
Tangible assets	**13**		5,979		7,908
			1,517,733		1,653,279
Current assets					
Debtors	**17**	2,186,295		3,197,169	
Cash at bank and in hand		68,448		153,126	
		2,254,743		3,350,295	
Creditors: amounts falling due within one year	**18**	(2,538,639)		(2,536,701)	
Net current (liabilities)/assets			(283,896)		813,594
Total assets less current liabilities			1,233,837		2,466,873
Creditors: amounts falling due after more than one year	**19**		(268,519)		(379,630)
Net assets			965,318		2,087,243
Capital and reserves					
Called up share capital	**24**		100		100
Profit and loss reserves			965,218		2,087,143
Total equity			965,318		2,087,243

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,068,231 (2021: £535,880).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

R Williams
Director

Company registration number 04880697 (England and Wales)

VENNTRO MEDIA GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2021		100	1,027,906	1,028,006
Year ended 31 December 2021:				
Loss and total comprehensive income		-	(358,701)	(358,701)
Balance at 31 December 2021		100	669,205	669,305
Year ended 31 December 2022:				
Loss and total comprehensive income		-	(842,216)	(842,216)
Dividends	**11**	-	(53,694)	(53,694)
Balance at 31 December 2022		100	(226,705)	(226,605)

VENNTRO MEDIA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2021		100	2,623,023	2,623,123
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(535,880)	(535,880)
Balance at 31 December 2021		100	2,087,143	2,087,243
Year ended 31 December 2022:				
Profit and total comprehensive income		-	(1,068,231)	(1,068,231)
Dividends	**11**	-	(53,694)	(53,694)
Balance at 31 December 2022		100	965,218	965,318

VENNTRO MEDIA GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(88,751)		659,202
Interest paid			(47,700)		(25,521)
Income taxes refunded			463,774		-
Net cash inflow from operating activities			327,323		633,681
Investing activities					
Purchase of intangible assets		(449,052)		(655,514)	
Purchase of tangible fixed assets		(2,726)		(811)	
Proceeds on disposal of tangible fixed assets		72,340		-	
Receipts arising from loans made		174,251		(7,384)	
Interest received		409		7,841	
Net cash used in investing activities			(204,778)		(655,868)
Financing activities					
Repayment of borrowings		55,125		-	
Repayment of bank loans		(111,111)		(9,259)	
Payment of finance leases obligations		(58,910)		(10,949)	
Dividends paid to equity shareholders		(53,694)		-	
Net cash used in financing activities			(168,590)		(20,208)
Net decrease in cash and cash equivalents			(46,045)		(42,395)
Cash and cash equivalents at beginning of year			167,484		209,879
Cash and cash equivalents at end of year			121,439		167,484

1 Accounting policies

Company information

Venntro Media Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is First Floor, The Switch, 1-7 The Grove, Slough, SL1 1QP.

The group consists of Venntro Media Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the group statement of cash flows, included in these financial statements, includes the company's cash flows.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Venntro Media Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the g roup.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

1.4 Going concern

The Group made a loss before tax of £842,217 for the year ended 31 December 2022 and had net current liabilities of £317,536 as at 31 December 2022.

Management have prepared a cash flow forecast for the period to 31 December 2024 which indicate the Group will be able to discharge its liabilities as they fall due for that period. The Directors have continued to reduce the operating costs of the Group and improve the profitability of the Group subsequent to the period end and have further opportunity to reduce costs if necessary, however there is limited headroom in the forecast and cash facilities available to the Group. Should the Group's performance fall behind forecast a further injection of working capital may be required which indicates the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern. However, the Directors are of the opinion that the Group can continue to operate within its facilities and that these could be either replaced or extended if required.

Accordingly, they consider the Group will continue as a going concern, meeting its liabilities as they fall due. The financial statements have therefore been prepared on the going concern basis. The financial statements do not include the adjustments that would result if the Group is unable to continue as going concern.

1.5 Turnover

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.

1.6 Intangible fixed assets - 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 it's useful life, being 10 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.

1.7 Intangible fixed assets other than goodwill

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

1 Accounting policies **(Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Platform	amortised evenly over its estimated useful life of 5 years
Domain names	amortised evenly over their useful life of between 5 & 10 years.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on cost
Motor vehicles	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date where there is an indication of impairment and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in or , unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in or , unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies **(Continued)**

1.18 Foreign exchange

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the group's presentational currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transaction are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

1.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible fixed assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently depreciated to 'administrative expenses' on a straight line basis over their expected useful economic lives, being a period not exceeding 5 years commencing in the year the company starts to benefit from the expenditure.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets (See note 12)
Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and project disposal values.

Platform Intangible asset recognition (see note 11)
Research and development costs are charged to expense as incurred unless individual projects satisfy certain criteria (see accounting policies). Costs are typically made up of salaries and benefits, infrastructure costs and third-party service fees. When assessing whether development costs meet the asset recognition criteria, management considers factors including the related sales and profit projections, market forecasts and historical experience.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Software as a Service Revenue (SaaS)	6,312,520	9,660,837

	2022	2021
	£	£
Other revenue		
Interest income	409	7,841

Turnover is wholly derived through the company's online dating platform Software as a Service (SaaS) business in the United Kingdom.

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	39,419	26,733
Depreciation of owned tangible fixed assets	4,655	(26,109)
Depreciation of tangible fixed assets held under finance leases	-	63,730
Profit on disposal of tangible fixed assets	(72,340)	-
Amortisation of intangible assets	582,669	692,531
Operating lease charges	25,071	122,958

5 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	22,000	20,000
For other services		
Taxation compliance services	5,000	13,000
All other non-audit services	24,280	8,720
	29,280	21,720

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Development	11	15	11	15
Administration	11	13	11	13
Sales and marketing	4	5	4	5
Total	26	33	26	33

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Wages and salaries	1,063,127	1,522,494	1,063,127	1,522,494
Social security costs	170,372	240,902	170,372	240,902
Pension costs	65,895	71,024	65,895	71,024
	1,299,394	1,834,420	1,299,394	1,834,420

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	264,165	525,344
Company pension contributions to defined contribution schemes	1,563	-
	265,728	525,344

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	170,481	323,702

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	409	-
Other interest income	-	7,841
Total income	409	7,841

	2022	2021
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	409	-

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	42,564	25,521
Other finance costs:		
Other interest	5,136	-
Total finance costs	47,700	25,521

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(202,257)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(842,216)	(560,958)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(160,021)	(106,582)
Tax effect of expenses that are not deductible in determining taxable profit	1,777	3,859
Tax effect of utilisation of tax losses not previously recognised	166,586	52,536
Depreciation on assets not qualifying for tax allowances	884	7,148
Amortisation on assets not qualifying for tax allowances	52,447	49,799
Adjustments in respect of financial assets	(5,442)	(8,886)
Research and development tax credit	-	(166,467)
Other non-reversing timing differences	(13,288)	-
Effect of overseas tax rates	(42,943)	(33,664)
Taxation charge/(credit)	-	(202,257)

The Company had tax adjusted losses of £1,540,088 (2021: £663,319) available to carry forward and utilise against future taxable profits. The deferred tax asset of £385,022 (2021: £126,031) has not been recognised in the financial statements due to the uncertainty around the timing of the recoverability of these losses.

11 Dividends

	2022	2021
Recognised as distributions to equity holders:	£	£
Interim paid	53,694	-

12 Intangible fixed assets

Group	Goodwill	Platform	Domain names	Total
	£	£	£	£
Cost				
At 1 January 2022	1,330,257	10,167,925	1,000,264	12,498,446
Additions	-	449,052	-	449,052
At 31 December 2022	1,330,257	10,616,977	1,000,264	12,947,498
Amortisation and impairment				
At 1 January 2022	1,330,257	8,537,199	985,620	10,853,076
Amortisation charged for the year	-	578,769	3,900	582,669
At 31 December 2022	1,330,257	9,115,968	989,520	11,435,745
Carrying amount				
At 31 December 2022	-	1,501,009	10,744	1,511,753
At 31 December 2021	-	1,630,726	14,644	1,645,370

Company	Platform	Domain names	Total
	£	£	£
Cost			
At 1 January 2022	10,167,926	1,000,264	11,168,190
Additions	449,052	-	449,052
At 31 December 2022	10,616,978	1,000,264	11,617,242
Amortisation and impairment			
At 1 January 2022	8,537,199	985,620	9,522,819
Amortisation charged for the year	578,769	3,900	582,669
At 31 December 2022	9,115,968	989,520	10,105,488
Carrying amount			
At 31 December 2022	1,501,010	10,744	1,511,754
At 31 December 2021	1,630,727	14,644	1,645,371

13 Tangible fixed assets

Group	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2022	114,590	116,484	231,074
Additions	2,726	-	2,726
Disposals	-	(116,484)	(116,484)
At 31 December 2022	117,316	-	117,316
Depreciation and impairment			
At 1 January 2022	106,682	116,484	223,166
Depreciation charged in the year	4,655	-	4,655
Eliminated in respect of disposals	-	(116,484)	(116,484)
At 31 December 2022	111,337	-	111,337
Carrying amount			
At 31 December 2022	5,979	-	5,979
At 31 December 2021	7,908	-	7,908

Company	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2022	114,590	116,484	231,074
Additions	2,726	-	2,726
Disposals	-	(116,484)	(116,484)
At 31 December 2022	117,316	-	117,316
Depreciation and impairment			
At 1 January 2022	106,682	116,484	223,166
Depreciation charged in the year	4,655	-	4,655
Eliminated in respect of disposals	-	(116,484)	(116,484)
At 31 December 2022	111,337	-	111,337
Carrying amount			
At 31 December 2022	5,979	-	5,979
At 31 December 2021	7,908	-	7,908

14 Fixed asset investments

14 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries
	£
Cost or valuation	
At 1 January 2022 and 31 December 2022	1,437,747
Impairment	
At 1 January 2022 and 31 December 2022	1,437,747
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
White Label Dating, Inc.	USA	Ordinary	100.00

16 Financial instruments

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	417,887	876,148	1,559,778	2,263,984
Carrying amount of financial liabilities				
Measured at amortised cost	2,472,322	2,210,990	2,328,253	2,153,481

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, bank loans and unsecured loan notes.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Strategic report.

17 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	236,345	233,986	228,710	229,820
Corporation tax recoverable	90,930	554,704	90,930	554,704
Amounts owed by group undertakings	-	-	1,153,894	1,393,935
Other debtors	181,542	642,162	177,174	640,229
Prepayments and accrued income	536,620	351,517	495,573	338,467
	1,045,437	1,782,369	2,146,281	3,157,155
Deferred tax asset (note 22)	40,014	40,014	40,014	40,014
	1,085,451	1,822,383	2,186,295	3,197,169

18 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	**20**	111,111	111,111	111,111	111,111
Obligations under finance leases	**21**	-	58,910	-	58,910
Other borrowings	**20**	55,125	-	55,125	-
Trade creditors		656,071	732,963	634,625	722,042
Other taxation and social security		478,905	762,850	478,905	762,850
Other creditors		108,467	124,216	103,116	124,216
Accruals and deferred income		1,273,029	804,160	1,155,757	757,572
		2,682,708	2,594,210	2,538,639	2,536,701

The bank overdraft is secured by a floating charge over the assets of the group and the company.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	**20**	268,519	379,630	268,519	379,630

20 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	379,630	490,741	379,630	490,741
Other loans	55,125	-	55,125	-
	434,755	490,741	434,755	490,741
Payable within one year	166,236	111,111	166,236	111,111
Payable after one year	268,519	379,630	268,519	379,630

The above relates to business loan under Coronavirus Business Interruption Loan Scheme, with interest rate of 5% per annum over base rate. The Secretary of State has agreed to provide the Bank with Partial Guarantee. The Partial Guarantee is given to the bank not to the company. The company remained liable for all sums payable under the loan agreement in the event of a default.

21 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	-	58,910	-	58,910

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2-3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2022 £	Assets 2021 £
Accelerated capital allowances	40,014	40,014

Company	Assets 2022 £	Assets 2021 £
Accelerated capital allowances	40,014	40,014

There were no deferred tax movements in the year.

23 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	65,895	71,024

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Group and company Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
Ordinary of £1 each	100	100	100	100

Each ordinary share is entitled to one vote in any circumstances.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Within one year	5,796	47,449	5,796	47,449
	5,796	47,449	5,796	47,449

26 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Key management personal includes all directors who have the responsibility for planning, directing and controlling the activities of the group. See note 7 for disclosure of the directors' remuneration and compensation.

During this year, the company acquired services valued at £106,757 (2021: £50,000) from entities under common control. At the balance sheet date, the entities under common control owe the company £30,671 (2021: £25,000).

27 Directors' transactions

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
	2.50	224,368	110,750	(210,000)	125,118
	2.50	75,001	-	(75,001)	-
		299,369	110,750	(285,001)	125,118

The above loans are unsecured and repayable on demand.

28 Cash (absorbed by)/generated from group operations

	2022	2021
	£	£
Loss for the year after tax	(842,216)	(358,701)
Adjustments for:		
Taxation charged/(credited)	-	(202,257)
Finance costs	47,700	25,521
Investment income	(409)	(7,841)
Gain on disposal of tangible fixed assets	(72,340)	-
Amortisation and impairment of intangible assets	582,669	692,531
Depreciation and impairment of tangible fixed assets	4,655	37,621
Movements in working capital:		
Decrease in debtors	98,907	676,033
Increase/(decrease) in creditors	92,283	(203,705)
Cash (absorbed by)/generated from operations	(88,751)	659,202

29 Analysis of changes in net debt - group

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	167,484	(46,045)	121,439
Borrowings excluding overdrafts	(490,741)	55,986	(434,755)
Obligations under finance leases	(58,910)	58,910	-
	(382,167)	68,851	(313,316)