VITESSE MEDIA

Annual Report & Accounts 2016

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Company directors and advisers

Directors
Chris Ingram, Executive Chairman
Niki Baker, Chief Executive Officer
David Smith, Non-Executive Director
Andrew Brode, Non-Executive Director
Keith Willey, Non-Executive Director

Secretary and Registered Office
TMF Corporate Administration Services Ltd, 5th Floor, 6 St. Andrew Street, London EC4A 3AE

Company Number
02607995

Registrars
Share Registrars Ltd, Craven House, West Street, Farnham, Surrey GU9 7EN

Bankers
Lloyds Banking Group, 39 Threadneedle Street, London EC2R 8AU

Solicitors
Stephenson Harwood LLP, Finsbury Circus, London EC2R 7SH

Auditor
RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

AIM Broker and Nominated Adviser
Stockdale Securities Ltd, 15 St. Botolph Street, London EC3A 7BB

Contents

Directors and management team

Directors

Chris Ingram – Executive Chairman
Chris was appointed as non-executive chairman in October 2014 and executive chairman from February 2016. He spent the early years of his business career in the media communications and marketing industry. He is regarded as the inventor of the modern media agency, having started The Media Department (TMD) in 1972 and Chris Ingram Associates (CIA) in 1976, which he built into an international, publicly quoted business (Tempus Group), with offices in 29 countries and a turnover of £2 billion. The business was sold to WPP in 2001 for £430 million and is now MEC.

David Smith – Non-Executive Deputy Chairman
David was appointed as executive deputy chairman in July 2012. He has held senior positions in Thompson organisations and at Wolters Kluwer, and was CEO of Taylor & Francis and executive chairman of Informa and Granada Learning. He became non-executive deputy chairman in August 2014.

Niki Baker – Chief Executive Officer
Niki joined Vitesse Media in 2006 as head of the group's expanding events division before becoming chief operating officer in July 2009 and chief executive officer in October 2012. She manages the Vitesse Media team and has full budget responsibility for all the group's activities. Prior to joining Vitesse Media, she worked her way up to group show director at DMG World Media on events such as the Daily Mail Ski and Snowboard Show and the Daily Mail Ideal Home Show, visited by half a million people.

Keith Willey – Non-Executive Director
Keith has interests in a number of private businesses and combines that with a post at London Business School. He is adjunct associate professor of strategic and international management and entrepreneurship, with expertise in the areas of entrepreneurship, venture capital, managing growth, technology ventures and organisation development. Keith's previous career experience includes a degree in chemical engineering and various management roles with BAT Plc. He was a director of a consulting practice associated with major corporate restructuring initiatives during the 1990s and was founding CEO of the Centre for Scientific Enterprise. Following this, he was COO and acting FD at Sussex Place Ventures for five years.

Andrew Brode – Non-Executive Director
Andrew, a chartered accountant, was chief executive of Wolters Kluwer (UK) Plc, one of the UK's largest business-to-business information groups, between 1978 and 1990. In 1990, he led the management buy-out of the Eclipse Group, which was sold to Reed Elsevier in 2000. In 1995, he led the management buy-in of RWS Group Plc, the UK's largest technical translations group. He is also a non-executive director of a number of private equity-financed media companies.

Management team

Dominic Richardson – Interim Finance Director
Dominic is acting on an interim and part-time basis providing financial advice and support to Vitesse Media. He has deep experience of the education and regulatory publishing sectors and previously held senior posts in Wolters Kluwer in the UK, Sweden and the Netherlands. More recently he was Group COO at Granada Learning. Dominic is also the founder and owner of RHE Media, a specialist ebook publisher.

Tim Griffiths – Commercial Director
Tim joined the company in March 2016 from Croc Media (Melbourne) where he was interim commercial director and Southern Cross Austereo (Hobart) where he was general sales manager. Tim has a strong track record of commercialising websites and social media and the integration of traditional media into online/event revenue.

Ben Rossi – Editorial Director
Ben is the editor of Information Age magazine and online, which involves him closely following the global technology industry and regularly connecting with the UK's top CIOs and IT decision-makers. Previous to this, he was the editor of the Middle East's leading technology publication, Computer News Middle East, where he gained experience of working with tech leaders in a vastly emerging and growing region, as well as one as mature as the UK. He has reported from technology events around the world and interviewed high-profile executives from the industry's biggest powerhouses.

Chairman's report

HIGHLIGHTS

- Total revenue decreased by 5.7% to £2.13m (2015: £2.26m) during the transition from low margin event management contracts to our own events
- Gross margin has risen to 70% (2015: 67%)
- EBITDA £29k (2015: £22k)
- Operating loss at almost breakeven (£7k) (2015: (£20k) before exceptional costs
- Direct cost reduced by 12% to £672k (2015: £765k)
- Positive action to remove £188k of exceptional costs
- Post-year end, subscription of £250,000 by Chris Ingram, Chairman of the Company, at 1.8p per share to support the Company's development and expansion

OVERVIEW OF RESULTS

2015/2016 has been a 'tidying up' year for Vitesse. Operationally the Company has ended up in a broadly break-even position with a small operating loss of £(7k) (versus £(20k) in 2015). While this is, of course, not satisfactory it means that the Company has moved away from the heavy losses of recent years to a more stable footing. The Board is not recommending the payment of a dividend.

Behind the apparent small changes in results, a number of significant things have happened:-

1. Revenue

The 5.7% reduction in revenue year-on-year is almost entirely due to the conscious decision in the Events Division to move away from the small, low margin managed events to concentrate on our own events. This included creating new events, of which Women In Technology with 500 attendees in only its second year, is a good example with revenue increasing by 19% to £198k.

2. Cost of sales

Cost of sales has reduced by 12.8% compared with last year due, in part, to a reduction in third-party event management coupled with some changes in product mix.

3. Admin expenses

Savings in administrative expenses of £54k have been brought about by an underlying reduction in headcount and staff costs, and lower premises costs following the relocation of the office in late 2014.

4. Exceptional costs

These were a sizeable £188k and followed a close review of the Company's accounts. The two main items were the previously announced decision not to proceed with the crowd-funding project in the way it was planned, resulting in an impairment charge of £125k, and £44k of legal costs incurred on an aborted transaction.

SUBSCRIPTION

The Company announced on 29 January 2016 that, conditional on shareholders' approval, I would invest a total of £250,000 for 13,888,889 new ordinary shares in the Company at 1.8p per share. The proceeds were to be used to support the Company's development and expansion. A circular was published to convene a general meeting on 12 February 2016 at which shareholders' approval was obtained.

PROSPECTS

Good progress has been made in the last two years in cutting costs. While there is some scope for further reductions, this will not play a significant part in the progress of the Company in the near future. Growing volume is now the key. However, there is certainly scope for increased productivity and that is the purpose of the imminent launch of our new technology platform, unifying our digital publishing and IT infrastructure whilst enabling us to build our data. Simply put, we need to attract considerably more of the right audience, measure them better and as a result charge advertisers and sponsors more appropriately.

We are putting more resource into Sales and Marketing – this is emphatically not an area in which to economise! The Company hired its first Commercial Director post year-end and is also making one or two more sales appointments.

Events has been the best performing division in the last few years, but there is still scope to improve: by increasing attendances to existing events and creating new ones – we have a good track record in doing this. This year new launches include The British Small Business Awards and Data 50.

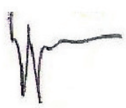
All of the above relates to organic growth and we believe these steps can restore us to a position where the Company makes a sensible profit margin: starting this year but building into 2017/18. At the same time, if relevant acquisition opportunities present themselves, we must be in the right shape to take advantage of them.

FINANCIAL YEAR-END

The Group is proposing to change its year-end from 31 January to 31 March with effect from 31 March 2017. The current financial year will therefore be extended by two months to 31 March 2017, following which the Company will announce half-yearly unaudited results to 30 September 2017 with comparable figures for the 6 months ending 30 September 2016. The reason for this change is to ensure the business operations can be managed and reported more effectively. Currently many of the Company's large and successful events occur at the very end of January and this causes significant pressure in terms of management and finance.

CURRENT TRADING

The year has started well with the first four months all ahead of the corresponding months last year.



CJ Ingram
Chairman

Business review

SME/BUSINESS DIVISION

The SME division comprises two brands for entrepreneurs and small businesses: GrowthBusiness.co.uk and SmallBusiness.co.uk. During the year, both SmallBusiness.co.uk and GrowthBusiness.co.uk maintained their market position as the UK's most authoritative sources of independent advice and support for established small and medium-sized enterprises.

Like-for-like advertising sales for the SME division grew 3% year-on-year, with a strategic focus around advertising, sponsorships, content creation/native editorial and lead generation. This accounted for 26% of the group's revenue, marginally up on the previous year.

"Like-for-like revenue across the SME division up 3% year-on-year with strong gains in integrated projects and sponsorships"

The gross margin decreased during the year to 84%, down 4% on the previous year, because of an increase in marketing costs across the division, to help fulfil on the increase in display advertising revenue.

Traffic across SmallBusiness.co.uk and GrowthBusiness.co.uk maintained a steady growth year-on-year, with overall users up 20% and 2% respectively. This contributed to the overall increase in advertising sales year-on-year, complemented with new revenues across native editorial and lead generation.

The Group secured new business with the likes of BT, O2, HSBC, the Federation of Small Businesses, Vonage and Royal Mail, while growing client relationships and opportunities with the likes of Sage.

Advertising spend from the banks was marginally down year-on-year, but the team was able to effectively tailor opportunities to the wider finance industry and technology sector.

Looking forward, the SME brands will focus on further developing their data strategy, to complement the growth in lead generation, while maximising on a new mobile offering, which will deliver new ad formats and revenue opportunities.

TECHNOLOGY DIVISION

The Technology division consists of the Information Age website, mobile app, print magazine, lead generation and sponsored projects. The strategic adjustments made to the technology division over 2014/15 have firmly repositioned the brand in the marketplace and set the division on a sustained path for growth.

"Lead generation sales revenue was up 26% on the previous year"

Like-for-like advertising sales for the Technology division grew 3% year-on-year, with print advertising growing 3% and lead generation sales revenue up 26% on the previous year. Technology revenue accounted for 16% of the Group's revenue. The gross profit for the division was up 3% year-on-year, with a gross margin of 81%.

Traffic across the website showed positive growth against the previous year, with UK users up 68%. This helped grow the division's data strategy, contributing in further opportunities in lead generation.

The Group secured new business with the likes of IBM, Palo Alto, Intel, Trend Micro, Adapt, Wickhill and Pentaho, while continuing to build further revenues with Gartner, VMware, Dell and HP.

Over 2016/17, the brand will maintain its strategic approach to further grow revenues through digital media and lead generation, while launching further brand extensions through webinars, video content and native editorial, and gaining new revenues through mobile.

INVESTMENT DIVISION

The Investment division is made up of two monthly titles for high-net-worth investors, What Investment and Growth Company Investor, and their associated websites WhatInvestment.co.uk and GrowthCompany.co.uk.

Revenues are from subscriptions, advertising and sponsorship (both for print and online), research and royalties, and accounted for 17% of total Group sales in the 2015/16 financial year.

The gross margin decreased during the year to 64%, down from 69% in the previous year, because of an increase in subscription costs, which coincides with the growth in subscription revenue across What Investment.

The 2015/16 financial year saw continued pressure on advertising sales, which was partly offset by a 53% increase in special projects against the previous year. Special projects included digital guides on topics such as investing for growth, retirement planning and pension changes, as well as roundtables and research reports on cash shells and directors' pay.

Subscriber numbers on What Investment continued to grow, up 13% on 2014/15.

The Investment division secured new business with the likes of LendInvest, Fisher Investments and Liontrust, while growing client relationships and opportunities with Fidelity, Henderson and Aberdeen.

"Special projects across the Investment group grew 53% against the previous year"

Over 2016/17, the Investment division will develop its strategic approach to further grow subscription revenues through a new digital platform. Special projects and lead generation will continue to be a priority for the Group, with a refocus of digital advertising sales to accommodate new revenues through mobile and high-impact display assets across desktop display.

Growth Company Investor will have a fresh content strategy focusing the brand around 'premium recommendation content' to grow the subscription revenues and free-to-access content around analysis and insights to grow traffic and advertising sales.

EVENTS DIVISION

Vitesse Media's Events division works in the entrepreneurial, investment and technology verticals, complementing the company's brand portfolio. Revenues originate from the sale of delegate places, tables, event sponsorship and third-party contracts. The team contributed 41% of the Group's revenues in 2015/16.

The gross margin increased during the year to 59%, up from 51% in the previous year, because of a strategic shift away from managed events and a refocus in developing and launching our own events, which delivered a 3% increase in gross profit for the division. The team launched a new event, Tomorrow's Tech Leaders Today, accounting for 6% in new revenues.

Events owned or part-owned by Vitesse Media include Tomorrow's Tech Leaders Today, Investor Allstars, New Energy & Cleantech Awards, the Quoted Company Awards, the Women in IT Awards, the Tech Invest series and the Leadership Series conferences. Of these, the Women in IT Awards achieved the highest revenues, contributing 24% of the division's revenue, with the Quoted Company Awards and Investor AllStars also delivering excellent revenues across sponsorship and delegate/table sales.

"The Women in IT Awards increased like-for-like revenues 19% year-on-year"

The event management division delivered 6% of the total Events revenue over 2015/16. The executive management team made the decision to focus on growing their own events in 2015/16, which deliver better gross margins. The team have already planned a number of new events over 2016/17, which complement our technology and entrepreneurial audience. New events include:

- **British Small Business Awards** – celebrating the leaders in the small business community
- **Tomorrow's Tech Leaders Today (North)** – connecting female students and graduates with the UK's top technology employers
- **Tech leaders Summit** – the UK's largest summit for technology leadership
- **Battle of the Backers** – leaders from the finance community put forward their case for being the best funding option for small and medium-sized businesses.
- **Data 50 Awards** – the UK's top data leaders and influencers.

The Events division secured new sponsorship with RBS, O2, Fujitsu, Ericsson, Total Jobs, MI5, KPMG, Visa, EY, Oracle, Tesco, Halfords and FT, while growing client relationships and opportunities with the likes of Grant Thornton, Salesforce, Zayo, EMC, Smith & Williamson, Crowe Clark Whitehill, Berenberg Bank, Orrick, Crowdcube and Barclays Wealth Management.

Strategic report

PRINCIPAL ACTIVITIES

The Company specialises in offering digital campaigns, lead generation, specialist events including event management and research projects through its list of blue-chip and advisory customers, utilising its business and investment assets, such as websites, apps, events and other publications. The Company is listed on AIM. The Group conducts this business through the parent and its wholly owned subsidiaries: Growth Company Investor Ltd and Information Age Media Ltd.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the development of the business during the year and future developments is given in the Chairman's Report and Business Review on pages 8-11.

BUSINESS RISKS AND UNCERTAINTIES

The Group's success depends to an extent upon the recruitment, development and retention of key personnel. The Group has regular meetings with the staff to keep them appraised of key developments.

The Group faces competition from other publishing companies that places pressure on revenue, client retention and staff recruitment and retention. The Group is also susceptible to reduced revenues from client spend. To mitigate this, the Group does not have any reliance on specific major clients, having focussed on developing a diverse client base.

KEY PERFORMANCE INDICATORS

The Group reviews revenue, gross profit percentage and pre-tax profit when analysing the business. Non-financial key performance indicators include web traffic and usage statistics, competitive reviews, staff turnover and major client retention.

	2016	*2015*
Revenue	£2,130,235	£2,259,768
Gross profit percentage	69.87%	67.43%
Loss before tax	(£204,046)	(£28,056)

GOING CONCERN

The Directors regularly review detailed forecasts of sales, costs and cash flows, often on a daily basis, and regularly projecting forwards 12 months ahead or more. The assumptions underlying the budget are challenged, varied and tested to establish the likelihood of a range of possible outcomes including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at board level.

The Directors have formally reviewed cash flow forecasts for the period to 31 July 2017 for the purposes of approving these financial statements. The Group is part-financed through invoice discounting facilities and further details of these are explained in note 19. The cash flow forecasts demonstrate that the Group will be able to operate within the parameters of these facilities and the Directors are confident that such facilities and other borrowings (part-financed through Director loans) will continue to be made available to the Group beyond 31 July 2017.

In February 2016 the Chairman, CJ Ingram, provided funds totalling £250,000 by way of a share issue. This was introduced partly in cash (£180,000) with the remainder offset by writing off director loans (£70,000). These funds have substantially improved the Group's operating cash position and will enable the Group to take advantage of appropriate opportunities as they arise.

The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

On behalf of the board on 29 June 2016,

N Baker
Director

Directors' report

The Directors submit their report and the audited financial statements of Vitesse Media Plc for the year ended 31 January 2016.

RESULTS AND DIVIDENDS

The results for the year are set out on page 18.
The Directors are precluded from recommending the payment of a dividend.

FINANCIAL RISK MANAGEMENT

Financial risks are considered and disclosed in note 2 on page 31 onwards.

DIRECTORS

The following Directors have held office since 1 February 2015:

CJ Ingram	(Non-executive chairman becoming executive chairman on 17 February 2016)
DJ Smith	(Non-executive)
NJ Baker	
J Sumner	(Resigned 30 July 2015)
AS Brode	(Non-executive)
K Willey	(Non-executive)
A Mearns	(Resigned 5 May 2016)

DIRECTORS' INTERESTS IN ORDINARY SHARES

Interests of Directors who held office as at 31 January 2016 in the ordinary shares of the company were as follows:

	As at 31 January 2016 Ordinary shares of 1p each Number	*As at 31 January 2015 Ordinary shares of 1p each Number*
CJ Ingram	2,886,306	2,886,306
NJ Baker	Nil	Nil
DJ Smith	7,368,421	7,368,421
AS Brode	916,149	916,149
K Willey	655,080	655,080
A Mearns	3,914,142	3,914,142

Details of Directors' interest in share options are disclosed in note 7 of the financial statements. Since the year-end, CJ Ingram acquired a further 13,888,889 ordinary shares allotted to him on 17 February 2016 for a consideration of £250,000. The total shares in issue thereby increased to 64,561,632.

EMPLOYEES

The Group recognises the importance of its employees and encourages internal communications with all staff. The Group has regular updates to advise employees regarding the Group's objectives and performance. The Group operates an open-door policy to encourage all staff to discuss with management any concerns they may have relating to the business.

CORPORATE GOVERNANCE

The Board recognises the importance of sound corporate governance and has adopted policies and procedures which reflect the principles of the UK Corporate Governance Code that are consistent with the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance in September 2010. The Group has appointed Remuneration and Audit committees to oversee these areas of activity. The non-executive Directors comprise these two committees.

The Audit Committee undertakes a formal assessment of the auditor's independence each year, which includes:

- a review of non-audit services provided to the Group and related fees;
- discussion with the auditor of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
- a review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including regular rotation of the audit partner; and
- obtaining written confirmation from the auditor that, in its professional judgement, it is independent.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains liability insurance covering the Directors and Officers of the Company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

On behalf of the board on 29 June 2016,

N Baker

N Baker
Director

Directors' responsibilities in the preparation of financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and have elected under company law to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with IFRSs adopted by the EU;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the 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 the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Vitesse Media Plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Vitesse Media Plc

We have audited the Group and Parent Company financial statements ('the financial statements') on pages 18 to 57. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement on page 15, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 STATEMENT

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 January 2016 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made on page 27 of the financial statements concerning the Group's and the Parent Company's ability to continue as a going concern. The Group incurred a loss, before tax, of £204,046 during the year ended 31 January 2016 and, at that date, the Group's current liabilities exceeded its current assets by £675,810. These conditions, along with the other matters explained on page 27 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Parent Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group or the Parent Company was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

RICHARD COATES (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (Formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

29 June 2016

Consolidated statement of comprehensive income

for the year ended 31 January 2016

	Notes	*2016* £	*2015* £
Revenue	3	2,130,235	2,259,768
Cost of sales	4	(641,776)	(736,071)
Gross profit		1,488,459	1,523,697
Administrative expenses	4	(1,478,966)	(1,532,752)
Share-based payments	18	(16,659)	(11,234)
Operating loss	4	(7,166)	(20,289)
Exceptional costs	5	(188,315)	-
Finance costs	8	(8,565)	(7,767)
Loss before tax		(204,046)	(28,056)
Income tax	9	-	-
Loss for the year and total comprehensive income for the year attributable to owners of the parent		(204,046)	(28,056)
Loss per share attributable to the owners of the parent			
Basic and diluted	10	(0.40p)	(0.06p)

The notes on pages 25 to 57 are an integral part of these consolidated financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company statement of comprehensive income. The loss and total comprehensive income for the Parent Company for the year was £557,221 (2015: loss of £433,130).

All activities of the Group are classed as continuing.

Consolidated statement of changes in equity

for the year ended 31 January 2016

Attributable to owners of the parent

	Share capital £	*Share premium* £	*Share-based payment reserve* £	*Other reserves* £	*Retained earnings* £	*Total* £
As at 31 January 2014	2,778,994	3,209,166	132,516	103,904	(4,676,960)	1,547,620
Loss for the year	-	-	-	-	(28,056)	(28,056)
Total comprehensive loss for the year	-	-	-	-	(28,056)	(28,056)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	32,074	48,644	-	-	-	80,718
Total transactions with owners in their capacity as owners	32,074	48,644	-	-	-	80,718
Recognition of share-based payments	-	-	11,234	-	-	11,234
Share options lapsed	-	-	(42,623)	-	42,623	-
As at 31 January 2015	2,811,068	3,257,810	101,127	103,904	(4,662,393)	1,611,516
Loss for the year	-	-	-	-	(204,046)	(204,046)
Total comprehensive loss for the year	-	-	-	-	(204,046)	(204,046)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Recognition of share-based payments	-	-	16,659	-	-	16,659
As at 31 January 2016	2,811,068	3,257,810	117,786	103,904	(4,866,439)	1,424,129

Company statement of changes in equity

for the year ended 31 January 2016

Attributable to owners of the parent

	Share capital £	Share premium £	Share-based payment reserve £	Other reserves £	Retained earnings £	Total £
As at 31 January 2014	2,778,994	3,209,166	132,516	103,904	(5,681,548)	543,032
Loss for the year	-	-	-	-	(433,130)	(433,130)
Total comprehensive loss for the year	-	-	-	-	(433,130)	(433,130)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	32,074	48,644	-	-	-	80,718
Total transactions with owners in their capacity as owners	32,074	48,644	-	-	-	80,718
Recognition of share-based payments	-	-	11,234	-	-	11,234
Share options lapsed	-	-	(42,623)	-	42,623	-
As at 31 January 2015	2,811,068	3,257,810	101,127	103,904	(6,072,055)	201,854
Loss for the year	-	-	-	-	(557,221)	(557,221)
Total comprehensive loss for the year	-	-	-	-	(557,221)	(557,221)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	-		
Recognition of share-based payments	-	-	16,659	-	-	16,659
As at 31 January 2016	2,811,068	3,257,810	117,786	103,904	(6,629,276)	(338,708)

Consolidated statement of financial position

Company Registration No. 02607995 *at 31 January 2016*

	Notes	*2016* £	*2015* £
NON-CURRENT ASSETS			
Goodwill	11	729,332	739,332
Other intangible assets	11	1,369,486	1,465,184
Property, plant and equipment	12	1,121	3,648
		2,099,939	2,208,164
CURRENT ASSETS			
Inventories	15	15,533	15,533
Trade and other receivables	14	409,384	555,600
Cash and cash equivalents	16	77,411	27,368
		302,328	598,501
TOTAL ASSETS		2,602,267	2,806,665
EQUITY			
Share capital	17	2,811,068	2,811,068
Share premium account	17	3,257,810	3,257,810
Share option reserve		117,786	101,127
Other reserves		103,904	103,904
Retained earnings		(4,866,439)	(4,662,393)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,424,129	1,611,516
NON CURRENT LIABILITIES			
Borrowings	19	-	110,000
CURRENT LIABILITIES			
Trade and other payables	20	724,478	797,618
Borrowings	19	453,660	287,531
		1,178,138	1,085,149
TOTAL LIABILITIES		1,178,138	1,195,149
TOTAL EQUITY AND LIABILITIES		2,602,267	2,806,665

The financial statements on pages 18 to 57 were approved by the board of Directors and authorised for issue on 29 June 2016

They were signed on its behalf by:

N Baker

NJ Baker, Director

Company statement of financial position

Company Registration No. 02607995 *at 31 January 2016*

	Notes	2016 £	2015 £ (restated)
NON-CURRENT ASSETS			
Goodwill	11	273,829	273,829
Other intangible assets	11	810,482	898,185
Property, plant and equipment	12	1,121	2,316
Investment in subsidiaries	13	877,554	887,554
		1,962,986	2,061,884
CURRENT ASSETS			
Inventories	15	13,776	13,776
Trade and other receivables	14	236,232	277,547
Cash and cash equivalents	16	64,035	11,316
		314,043	302,639
TOTAL ASSETS		2,277,029	2,364,523
EQUITY			
Share capital	17	2,811,068	2,811,068
Share premium account	17	3,257,810	3,257,810
Share option reserve		117,786	101,127
Other reserves		103,904	103,904
Retained earnings		(6,629,276)	(6,072,055)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		(338,708)	201,854
NON-CURRENT LIABILITIES			
Borrowings	19	-	110,000
		-	110,000
CURRENT LIABILITIES			
Trade and other payables	20	2,249,467	1,826,549
Borrowings	19	366,270	226,120
		2,615,737	2,052,669
TOTAL LIABILITIES		2,615,737	2,162,669
TOTAL EQUITY AND LIABILITIES		2,277,029	2,364,523

The financial statements on pages 18 to 57 were approved by the board of Directors and authorised for issue on 29 June 2016

They were signed on its behalf by:

N Baker

NJ Baker, Director

Consolidated statement of cash flows

for the year ended 31 January 2016

	Notes	*2016* £	*2015* £
CASH FLOWS GENERATED FROM/(USED IN) OPERATIONS	21	37,773	(197,076)
Interest paid		(8,565)	(7,767)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		29,208	(204,843)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		-	(1,013)
Purchases of intangible assets		(40,794)	(149,673)
NET CASH USED IN INVESTING ACTIVITIES		(40,794)	(150,686)
FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		-	56,218
Other loans		40,000	90,000
(Repayment)/Payment of invoice discounting facility		(5,405)	9,200
NET CASH GENERATED FROM FINANCING ACTIVITIES		34,595	155,418
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22	23,009	(200,111)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16	27,368	227,479
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	50,377	27,368

Company statement of cash flows

for the year ended 31 January 2016

	Notes	2016 £	2015 £
CASH FLOWS USED IN OPERATIONS	21	(342,473)	(335,259)
Interest paid		(8,409)	(5,579)
NET CASH USED IN OPERATING ACTIVITIES		(350,882)	(340,838)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		-	(713)
Purchases of intangible assets		(40,794)	(149,673)
NET CASH USED IN INVESTING ACTIVITIES		(40,794)	(150,386)
FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	80,718
Repayment of invoice discounting facility		(4,350)	(5,343)
Proceeds from short-term borrowings		40,000	90,000
Loans from subsidiaries		408,745	120,528
NET CASH GENERATED FROM FINANCING ACTIVITIES		444,395	285,903
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22	52,719	(205,321)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16	11,316	216,637
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	64,035	11,316

Notes to the financial statements

for the year ended 31 January 2016

Vitesse Media plc is a public limited company incorporated in the United Kingdom, whose shares are publicly traded on the AIM market. The Company is domiciled in the United Kingdom and its principal place of business is 5th Floor, 14 Bonhill Street, London, EC2A 4BX.

The consolidated financial statements represent the year to 31 January 2016 and comprise the financial statements of the Company and its subsidiaries ('Group'). The comparative period represents the year to 31 January 2015. The Group's principal activities are online, print publishing and events specialising in growing businesses.

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

BASIS OF ACCOUNTING

The financial statements of Vitesse Media Plc have been prepared in accordance with EU Endorsed International Financial Reporting Standards and IFRIC interpretations (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are noted below.

JUDGEMENTS AND ESTIMATES

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Going concern

The Directors' process for monitoring forecasts and cash flows on an ongoing basis is set out on page 27.

Goodwill and publishing rights impairment

The Group is required to assess whether goodwill and publishing rights have suffered any impairment loss, based on the recoverable amount of its cash-generating units (CGUs). The recoverable amounts of the CGUs have been determined based on value-in-use calculations and these calculations require the use of estimates in relation to future cash flows and suitable discount rates as disclosed in note 11. Actual outcomes could vary from these estimates.

Impairment of assets

Financial and non-financial assets including website development costs are subject to impairment reviews based on whether events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the present value of expected future cash flows, which include management assumptions and estimates of future performance.

If there is an indication that impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which this asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Details can be found in note 11.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Recoverable amount is the higher of the 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 the future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised as income immediately 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.

Share-based payment

The Group issues equity-settled share-based payment transactions to certain employees. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The calculation of fair value at the date of grant requires the use of management's best estimate of volatility, risk-free rate and expected time to exercise the options.

ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

No standards or interpretations adopted in the year had any material impact on the financial statements.

Interpretations to existing standards and new standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning after 1 February 2016 or later periods, but they have not been early adopted by the Group:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: 1 January 2016
IFRS 7 Financial instruments: Disclosure1 January 2016/IFRS 9 effective date
IFRS 9 Financial Instruments (issued October 2010): 1 January 2018
IFRS 10 Consolidated Financial Statements: 1 January 2016
IFRS 11 Joint Arrangements: 1 January 2016
IFRS 12 Disclosure of Interests in Other Entities: 1 January 2016
IFRS 14 Regulatory Deferral Accounts: 1 January 2016
IFRS 15 Revenue from Contracts with Customers: 1 January 2018
IFRS 16 Leases: 1 January 2019
IFRS for Small and Medium-sized Entities: 1 January 2017
IAS 1 Presentation of Financial Statements: 1 January 2016
IAS 7 Statement of Cash Flows: 1 January 2017
IAS 12 Income Taxes: 1 January 2017
IAS 16 Property plant and equipment: 1 January 2016
IAS 19 Employee benefits: 1 January 2016
IAS 27 Separate Financial Statements: 1 January 2016
IAS 28 Investments in Associates and Joint Ventures: 1 January 2016
IAS 34 Interim Financial Reporting: 1 January 2016
IAS 38 Intangible assets: 1 January 2016
IAS 39 Financial instruments: IFRS 9 effective date
IAS 41 Agriculture: 1 January 2016

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

It is not anticipated that the adoption of the above standards, amendments and interpretations of existing standards will have a material impact on the Group or Company financial statements in the period of initial application.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Report on page 8 and 9 and the Business Review on pages 10 and 11. As set out in note 27, post year end, the company issued ordinary shares for consideration of £250,000, resulting in a reduction in borrowings of £70,000 and an increase in cash of £180,000.

The Directors regularly review detailed forecasts of sales, costs and cash flows, often on a daily basis and regularly projecting forward 12 months ahead or more. The assumptions underlying the budget are challenged, varied and tested to establish the likelihood of a range of possible outcomes including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at board level.

The Directors have formally reviewed cash flow forecasts for the period to 31 July 2017 for the purposes of approving these financial statements. The Group is part-financed through invoice discounting facilities and further details of these are explained in note 19. The cash flow forecasts demonstrate that the Group will be able to operate within the parameters of these facilities, and the Directors are confident that such facilities and other borrowings (part-financed through Director loans) will, if required, continue to be made available to the Group beyond 31 July 2017. The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

CONSOLIDATION

The Group's financial statements include the results and financial position of the Company and all of its subsidiaries.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions under IFRS3 (revised) are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

All subsidiaries have an accounting reference date of 31 January except Carduus Capital LLP, which prepares its accounts to 31 March.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The results of subsidiaries are included in the consolidated statement of comprehensive income from the date of acquisition.

OPERATING PROFIT/(LOSS)

Operating profit/(loss) is defined as profit/(loss) for the year before taxation, finance costs and exceptional costs.

REVENUE

Revenue represents the fair value, net of value added tax, of consideration received or receivable, for goods sold and services provided to customers. There are three primary revenue streams:

- Advertising (both traditional and online), where income is recognised when the relevant publication is printed or campaign runs
- Subscriptions, which are recognised evenly on a time basis over the subscription period
- Event revenues, which are recognised in the period the events are held

In each case, customers may be invoiced in advance of income recognition, in which case the proportion of invoiced income relating to subsequent periods is included in deferred income.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to full-time employees. Equity-settled share-based payments are measured at the fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of a Black-Scholes model for all share options in issue. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition.

GOODWILL IMPAIRMENT

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment charge is recognised in administrative expenses within the statement of comprehensive income in the year in which it occurs. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is allocated to cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

PUBLISHING RIGHTS

In accordance with IAS 38 Intangible Assets, publishing rights acquired are capitalised as intangible assets.

Each acquisition is assessed individually in order to determine the estimated useful life of the publishing rights. Where the rights are regarded as having a limited useful life, they are amortised through profit or loss. Where the rights are considered to have an indefinite useful life, they are not amortised. In such cases, annual impairment reviews are carried out, in accordance with IAS 36 Impairment of Assets, by discounting estimated future cash flows from the individual publishing rights concerned, at an appropriate discount rate. The value of the publishing rights is then adjusted to its recoverable amount if required.

No amortisation has been provided on publishing rights as, given the nature of the publications, their areas of specialisation, strong brand recognition and track record of the publications, the publishing rights are currently considered to have an indefinite useful life. Publishing rights are assessed annually for impairment.

Publishing rights are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the publishing rights arose.

WEBSITE DEVELOPMENT COSTS

Website development costs are accounted for in accordance with IAS 38. Development costs are capitalised as intangible assets only to the extent that they lead to the creation of an asset delivering benefits at least as great as the amount capitalised. All research, maintenance and other development costs are written off as incurred.

Website development costs are amortised over three to five years and are charged to administrative expenses.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment 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, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the CGU to which the asset belongs.

1 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Any impairment charge is recognised in profit or loss in the year in which it occurs for assets carried at cost if recoverable amount is less than the carrying value. Where an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount.

INVESTMENTS
Investments are stated at cost less any provision for impairment in value.

PROPERTY, PLANT AND EQUIPMENT
Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

- Fixtures, fittings and equipment – over 2 to 5 years
- Short leasehold improvements – over the lease term

CURRENT AND DEFERRED TAXATION
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits ('temporary differences') and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Where there are taxable temporary differences arising on subsidiaries, deferred tax liabilities are recognised except where the Group is able to control the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Where there are deductible temporary differences arising on subsidiaries, deferred tax assets are recognised only where it is probable that they will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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, based upon tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

DEFERRED INCOME
Deferred income is recognised in the financial statements in accordance with the Group's accounting policy for revenue recognition.

INVENTORIES
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Inventories relate solely to raw materials.

1 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

LEASED ASSETS AND OBLIGATIONS

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

Finance leases

Assets funded through finance leases are capitalised as property, plant and equipment and depreciated over their estimated useful lives or the lease term, whichever is shorter. The amount capitalised is the lower of the fair value of the asset or the present value of the minimum lease payments during the lease term determined at the inception of the lease. The resulting lease obligations are included in liabilities. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs on finance leases are charged directly to profit or loss.

Operating leases

Assets leased under operating leases are not recorded in the statement of financial position. Rental payments are charged directly to profit or loss on a straight-line basis over the lease term.

PROVISIONS AND INVOICE DISCOUNTING

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discontinued at the pre-tax discount rate that reflects the risks specific to the liability.

Invoice discounting

Amounts due in respect of invoice discounting are separately disclosed as current liabilities. The Group can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade receivables remains with the Group.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group has become party to the contractual provisions of the instrument.

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment is made where there is objective evidence of impairment (including customers in financial difficulty or seriously in default against agreed payment terms). There is no material variance between carrying and fair values.

Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of comprehensive income.

1 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

CASH AND CASH EQUIVALENTS
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

TRADE PAYABLES
Trade payables are initially recognised at cost and subsequently measured at amortised cost using the effective interest method. There is no material variance between book and fair values.

BORROWINGS
Bank loans and overdrafts are recorded initially at their fair value, net of direct transaction costs, and finance charges are recognised in profit or loss over the term of the instrument. Note 19 provides details of the applicable interest rates. There is no material variance between book and fair values.

EQUITY INSTRUMENTS
Equity instruments are recorded at the proceeds received, net of direct issue costs.

COMPOUND FINANCIAL INSTRUMENTS
The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability without an equity conversion option with the difference recognised as a component in equity. The fair value of the liability component of the Directors' convertible loans approximates the proceeds received so no adjustment has been made for the equity conversion option.

2 *FINANCIAL RISK MANAGEMENT*

As well as short-term trade receivables, accrued income, trade payables and accruals, as detailed in the notes that arise directly from operations, the Group's financial instruments comprise cash, Directors' and bank borrowings and payables. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to raise finance for the Group's operations and manage related risks. The Group's activities expose the Group to a number of risks including interest rate risk, credit risk and liquidity risk. The Group manages these risks by regularly monitoring the business and providing ongoing forecasts of the impact on the business.

LIQUIDITY RISK
The Group closely monitors its bank overdraft, invoice discounting and other credit facilities in comparison to its outstanding commitments to ensure that it has sufficient funds to meet its obligations as they fall due. The Group finance function produces regular forecasts that estimate the cash inflows and outflows for the next 12 months, so that management can ensure that sufficient financing is in place as it is required. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loan and invoice discounting.

2 *FINANCIAL RISK MANAGEMENT (continued)*

MATURITY ANALYSIS

The table below analyses the Group's and the Company's financial liabilities based on the contractual gross undiscounted cash flows for amounts outstanding at the reporting date up to maturity date:

Maturity analysis at 31 January 2016	*Less than 6 months* £	*Between 6 months and 1 year* £	*Between 1 year and 5 years* £	*Total* £
GROUP				
Borrowings	289,160	164,500	-	453,660
Trade and other payables	594,640	-	-	594,640
Total liabilities	883,800	164,500	-	1,048,300
COMPANY				
Borrowings	201,770	164,500	-	366,270
Trade and other payables	2,174,172	-	-	2,174,172
Total liabilities	2,375,942	164,500	-	2,540,442

Maturity analysis at 31 January 2015	*Less than 6 months* £	*Between 6 months and 1 year* £	*Between 1 year and 5 years* £	*Total* £
GROUP				
Borrowings	227,531	60,000	110,000	397,531
Trade and other payables	570,044	-	-	570,044
Total liabilities	797,575	60,000	110,000	967,575
COMPANY				
Borrowings	166,120	60,000	110,000	336,120
Trade and other payables	1,637,173	-	-	1,637,173
Total liabilities	1,803,293	60,000	110,000	1,973,293

Trade and other payables consist of trade payables, other payables and accruals as shown in note 20.

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

INTEREST RATE RISK

The Group's interest rate exposure arises mainly from its interest-bearing borrowings. Contractual agreements entered into at floating rates expose the Group to cash flow risk, while fixed-rate borrowings expose the Group to fair value risk.

The Group regularly reviews its funding arrangements to ensure they are competitive with the marketplace.

The table below shows the Group's and Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

31 January 2016

GROUP	*Fixed rate £*	*Floating rate £*	*Non-interest bearing £*	*Total asset £*	*Total liability £*
Cash and cash equivalents	-	77,411	-	77,411	-
Trade and other receivables	-	35,431	318,107	363,538	-
Total financial assets	-	112,842	328,107	440,949	-
Borrowings	234,500	219,160	-	-	453,660
Trade and other payables	-	-	594,641	-	594,641
Total liabilities at amortised cost	234,500	219,160	594,641	-	1,048,301

COMPANY	*Fixed rate £*	*Floating rate £*	*Non-interest bearing £*	*Total asset £*	*Total liability £*
Cash and cash equivalents	-	64,035	-	64,035	-
Trade and other receivables	-	25,431	170,475	195,906	-
Total financial assets	-	89,466	170,475	259,941	-
Borrowing	234,500	131,770	-	-	366,270
Trade and other payables	-	-	2,174,173	-	2,174,173
Total liabilities at amortised cost	234,500	131,770	2,174,173	-	2,540,443

2 *FINANCIAL RISK MANAGEMENT (continued)*

31 January 2015

GROUP	*Fixed rate* £	*Floating rate* £	*Non-interest bearing* £	*Total asset* £	*Total liability* £
Cash and cash equivalents	-	64,035	-	64,035	-
Trade and other receivables	-	42,388	408,959	451,347	-
Total financial assets	-	106,423	408,959	515,382	-
Borrowings	200,000	197,531	-	-	397,531
Trade and other payables	-	-	570,043	-	570,043
Total liabilities at amortised cost	200,000	197,531	570,043	-	967,574

COMPANY	*Fixed rate* £	*Floating rate* £	*Non-interest bearing* £	*Total asset* £	*Total liability* £
Cash & cash equivalents	-	11,316	-	11,316	-
Trade and other receivables	-	42,388	180,039	222,427	-
Total financial assets	-	53,704	180,039	233,743	-
Borrowings	200,000	136,120	-	-	336,120
Trade and other payables	-	-	1,637,173	-	1,637,173
Total liabilities at amortised cost	200,000	136,120	1,637,173	-	1,973,293

CREDIT RISK EXPOSURE

Credit risk predominantly arises from trade receivables, cash and cash equivalents and deposits with banks. Credit risk is managed on a Group basis. External credit checks are obtained for larger customers. In addition, the credit quality of each customer is assessed internally before accepting any terms of trade. Internal procedures take into account the customer's financial position, their reputation in the industry and past trading experience. As a result, the Group's exposure to bad debts is not significant. Cash and cash equivalents are held with banks with a minimum rating of 'A'.

2 *FINANCIAL RISK MANAGEMENT (continued)*

	GROUP		COMPANY	
	2016	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*
Trade and other receivables	373,916	470,663	207,913	242,518
Estimated irrecoverable amounts	10,378	19,316	10,378	20,091

Movements on the Group and Company's provision for impairment of trade receivables:

	GROUP		COMPANY	
	2016	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*
As at 1 February	19,316	7,135	20,091	5,590
Provision for receivables impairment	20,000	16,009	20,000	21,677
Receivables written off during year as uncollectible	(28,938)	(3,828)	(29,713)	(7,176)
As at 31 January	10,378	19,316	10,378	20,091

The maximum exposure is the carrying amount as disclosed in note 14 and note 16. The average credit period taken on the sale of goods is 62 days (2015: 45 days). The allowance for estimated irrecoverable amounts has been made based upon the knowledge of the financial circumstances of individual trade customers at the reporting date. The Group holds no collateral against these receivables at the reporting date.

The following table provides an analysis of trade and other receivables that were past due at 31 January 2016 and 31 January 2015 but against which no provision has been made. The Group believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	GROUP		COMPANY	
	2016	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*
Up to 3 months overdue	157,423	195,588	105,068	134,921
3 to 6 months overdue	42,691	20,563	17,525	18,491
	200,114	216,151	122,593	153,412

2 *FINANCIAL RISK MANAGEMENT (continued)*

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital (i.e. equity and borrowings) are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

FOREIGN CURRENCY RISK

The Group's policy is not to use forward contracts, and therefore none were outstanding at the year end (2015: £Nil). The Group has no foreign currency exposures at 31 January 2016 or 31 January 2015 so no numerical disclosures have been provided.

3 *SEGMENTAL INFORMATION*

Segment information is presented below.

	2016		2015	
	Revenue £	Profit £	Revenue £	Profit £
Continuing operations				
Events	870,186	511,404	977,683	497,875
SME	548,095	463,126	532,995	469,446
Investment	366,204	234,544	414,460	285,584
Technology	345,750	279,385	334,630	270,792
Segment revenue / profit	2,130,235	1,488,459	2,259,768	1,523,697
Central overheads and salaries		(1,459,051)		(1,501,839)
Depreciation and amortisation		(36,574)		(42,147)
Finance costs		(8,565)		(7,767)
Exceptional costs		(188,315)		-
Loss for the year		(204,046)		(28,056)

The chief operating decision makers review segmental information with regards to the profit or loss for the year as disclosed above. They do not review or consider the assets of the business to be allocated to segments.

Revenue represents sales to external customers. There were no inter-segment sales in the period (2015: Nil).

None of the Group's customers account for more than 10% of revenue.

4 *OPERATING LOSS*

(a) Operating loss for the year has been arrived at after charging the following items within administrative expenses:

	2016	*2015*
	£	*£*
Depreciation of property, plant and equipment		
– owned assets	2,239	651
Amortisation of software and website development costs	34,335	41,496
Operating lease rentals in respect of land and buildings	85,000	76,750

(b) AUDITOR'S REMUNERATION

During the year, the following services were obtained from the Group's auditor as detailed below:

	2016	*2015*
	£	*£*
Audit services		
- Fees payable to Company auditor for the audit of parent Company and consolidated accounts	26,000	24,550
Other services		
Fees payable to the Company's auditor and its associates for other services:		
– The audit of Company's subsidiaries pursuant to legislation	16,000	15,450
– Corporation tax services	-	3,900

The disclosure of auditor's remuneration stated above relates to the Company's auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) and its associates.

(c) ANALYSIS OF OPERATING EXPENSES BY NATURE

	2016	*2015*
	£	*£*
Staff costs (see note 6)	667,662	761,749
Directors remuneration (see note 7)	254,723	267,000
Depreciation and amortisation (see notes 11 & 12)	34,335	42,147
Change in inventory	-	(683)
Magazine costs	298,318	254,792
Events costs	281,761	428,968
Premises costs	135,945	199,251
Marketing expenses	61,697	52,311
Professional fees	68,175	67,788
Other expenses	318,126	195,500
Total cost of sales and administrative expenses	2,120,742	2,268,823

5 EXCEPTIONAL COSTS

	2016	2015
	£	£
Legal fees on aborted merger	44,000	-
Legal fees on settlement of software contract	29,438	-
Impairment on software	95,562	-
Write down of Carduus Capital LLP investment	10,000	-
Write down of The Wrong Price	5,000	-
Legal fees in respect of premises	4,315	-
	188,315	-

6 STAFF COSTS

	2016	2015
	£	£
Staff costs (excluding directors)		
- wages and salaries	606,144	693,694
- social security costs	61,518	68,055
	667,662	761,749

These costs are disclosed within administrative expenses in the income statement.

	2016	2015
	Number	Number
Average monthly number of persons (including Directors and part-time employees) employed by the Group		
Senior management	7	7
Finance and administration	2	3
Editorial / design / events	11	13
Marketing and sales	6	6
	26	29

7 DIRECTORS' REMUNERATION

	2016	2015
	£	£
Aggregate emoluments	238,064	255,766
Share based payments	16,659	11,234
	254,723	267,000

	2016	2015
	£	£
Emoluments for qualifying services		
ESM Williams (resigned 14 October 2014)	-	18,281
AS Brode	15,000	15,000
N Baker	115,000	96,667
K Willey	5,000	5,000
J Sumner (resigned 30 July 2015)	47,500	94,167
DJ Smith	15,564	15,564
CJ Ingram	25,000	7,337
A Mearns (resigned 5 May 2016)	15,000	3,750
Directors' remuneration	238,064	255,766

No pension payments are made on behalf of any of the Directors. (2015: £Nil)

Share-based payment expense is a non-cash item to adjust for the issue of share options. The Board issues share options to Directors and senior management as it is in their opinion the most effective way to align them with the interests of shareholders. No share options were exercised in the period (2015: £Nil).

Fees for professional services totalling £9,600 (2015: £6,720) were payable to Venspeed Ltd, a company in which Mr K Willey, a Director of Vitesse Media Plc, has a controlling interest. The amount owed to Venspeed at 31 January 2016 was £9,600 (2015: £Nil).

7 DIRECTORS' REMUNERATION (continued)

DIRECTORS' INTERESTS IN SHARE OPTIONS

The interests of the Directors in office during the year in share options of the Company are set out in the table below:

	31 January 2015 Number	Granted Number	Lapsed Number	31 January 2016 Number	Exercise price Pence	Exercisable period
N Baker	100,000	-	-	100,000	9.0	05/08/2010 to 04/08/2020
	50,000	-	-	50,000	9.0	28/02/2011 to 04/08/2020
	150,000	-	-	150,000	9.0	22/06/2012 to 04/08/2020
	200,000	-	-	200,000	8.0	15/02/2015 to 14/02/2021
	250,000	-	-	250,000	4.0	27/07/2015 to 26/07/2022
	200,000	-	-	200,000	2.25	14/02/2016 to 13/02/2023
	100,000	-	-	100,000	4.63	02/04/2017 to 02/04/2024
	500,000	-	-	500,000	3.75	30/09/2015 to 30/09/2024
	500,000	-	-	500,000	3.0	12/11/2015 to 12/11/2024
	2,050,000	-	-	2,050,000		
A S Brode	100,000	-	-	100,000	8.0	15/02/2015 to 14/02/2021
K Willey	100,000	-	-	100,000	8.0	15/02/2015 to 14/02/2021
J Sumner	5,000	-	-	5,000	9.0	05/08/2010 to 04/08/2020
	5,000	-	-	5,000	9.0	05/08/2010 to 04/08/2020
	5,000	-	-	5,000	9.0	05/08/2010 to 04/08/2020
	25,000	-	-	25,000	9.0	28/02/2011 to 04/08/2020
	100,000	-	-	100,000	9.0	22/06/2012 to 04/08/2020
	100,000	-	-	100,000	8.0	15/02/2015 to 14/02/2021
	150,000	-	-	150,000	4.0	26/07/2015 to 25/07/2022
	150,000	-	-	150,000	2.25	14/02/2016 to 13/02/2023
	100,000	-	-	100,000	4.63	02/04/2017 to 02/04/2024
	640,000	-	-	640,000		
DJ Smith	50,000	-	-	50,000	4.63	01/04/2017 to 02/04/2024
CJ Ingram	225,000	-	-	225,000	3.0	12/11/2015 to 12/11/2024

8 *FINANCE COSTS*

	2016	*2015*
	£	*£*
Interest payable on borrowings	8,409	4,196
Other interest payable	156	3,571
	8,565	7,767

9 *INCOME TAX*

	2016	*2015*
	£	*£*
(a) Current taxation		
UK corporation tax	-	-

Corporation tax is calculated at 20.16% (2015: 21.33%) of the estimated assessable profit for the year.

(b) The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	2016	*2015*
	£	*£*
Factors affecting tax charge for the year:		
Loss before taxation	(204,046)	(28,056)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 20.16% (2015: 21.33%)	(41,136)	(5,985)
Effects of:		
Share-based payments not deductible	3,358	2,396
Other expenses not deductible for tax purposes	36,517	96
Other timing differences	-	12,033
Accelerated capital allowances	(8,554)	(25,089)
Utilisation of tax losses	-	(749)
Tax losses carried forward	9,686	17,298
Marginal rate adjustment	129	-
Tax on results on ordinary activities	-	-

At the reporting date, the Group has unused tax losses of £5,511,809 (2015: £5,345,481) available for offset against future profits. A net deferred tax asset of £983,477 (2015: £1,041,483) in respect of losses and other timing differences has not been recognised due to the unpredictability of future profit streams.

10 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year (Note 16).

	2016	2015
	£	£
Loss attributable to owners of the parent	(204,046)	(28,056)
Weighted average number of ordinary shares in issue	50,672,743	49,864,444
Basic earnings per share (pence per share)	(0.40p)	(0.06p)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group made a loss in the year so the share options and the convertible loans were not dilutive.

	2016	2015
	£	£
Loss attributable to owners of the parent	(204,046)	(28,056)
Weighted average number of ordinary shares in issue	50,672,743	49,864,444
Dilutive effect:		
Share options and convertible loans	-	-
Diluted ordinary shares	50,672,743	49,864,444
Diluted earnings per share (pence per share)	(0.40p)	(0.06p)

11 *INTANGIBLE ASSETS*

GROUP	*Website development costs*	*Software*	*Publishing rights*	*Sub-total*	*Goodwill*	*Total*
	£	*£*	*£*	*£*	*£*	*£*
COST						
1 February 2014	380,573	93,818	1,815,813	2,290,204	1,027,999	3,318,203
Additions	8,576	131,097	-	139,673	10,000	149,673
31 January 2015	389,149	224,915	1,815,813	2,429,877	1,037,999	3,467,876
Additions	11,294	33,405	-	44,699	-	44,699
Disposal	-	-	(5,500)	(5,500)	-	(5,500)
31 January 2016	400,443	258,320	1,810,313	2,469,076	1,037,999	3,507,075
AMORTISATION AND IMPAIRMENT						
1 February 2014	298,056	58,411	566,730	923,197	298,667	1,221,864
Amortisation charge for the year	25,038	16,458	-	41,496	-	41,496
31 January 2015	323,094	74,869	566,730	964,693	298,667	1,263,360
Amortisation charge for the year	24,931	9,404	-	34,335	-	34,335
Impairment	-	95,562	5,000	100,562	10,000	110,562
31 January 2016	348,025	179,835	571,730	1,099,590	308,667	1,408,257
NET BOOK VALUE						
31 January 2016	52,418	78,485	1,238,583	1,369,486	729,332	2,098,818
31 January 2015	66,055	150,046	1,249,083	1,465,184	739,332	2,204,516
1 February 2014	82,517	35,407	1,249,083	1,367,007	729,332	2,096,339

11 INTANGIBLE ASSETS (continued)

COMPANY	Website development costs £	Software £	Publishing rights £	Sub-total £	Goodwill £	Total £
COST						
1 February 2014	266,142	80,018	1,271,808	1,617,968	570,303	2,188,271
Additions	8,576	131,097	-	139,673	-	139,673
31 January 2015	274,718	211,115	1,271,808	1,757,641	570,303	2,327,944
Additions	11,294	33,405	-	44,699	-	44,699
Disposal	-	-	(5,500)	(5,500)	-	(5,500)
31 January 2016	286,012	244,520	1,266,308	1,796,840	570,303	2,367,143
AMORTISATION AND IMPAIRMENT						
1 February 2014	213,706	45,763	564,325	823,794	296,474	1,120,268
Amortisation charge for the year	21,199	14,463	-	35,662	-	35,662
31 January 2015	234,905	60,226	564,325	859,456	296,474	1,155,930
Amortisation charge for the year	21,093	10,247	-	31,340	-	31,340
Impairment	-	95,562	-	95,562	-	95,562
31 January 2016	255,998	166,035	564,325	986,358	296,474	1,282,832
NET BOOK VALUE						
31 January 2016	30,014	78,485	701,983	810,482	273,829	1,084,311
31 January 2015	39,813	150,889	707,483	898,185	273,829	1,172,014
1 February 2014	52,436	34,255	707,483	794,174	273,829	1,068,003

11 *INTANGIBLE ASSETS (continued)*

Goodwill

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Investor Allstars	108,476	108,476	108,476	108,476
Growth Company Investor Ltd	41,663	41,663	-	-
Information Age Media Ltd	413,840	413,840	-	-
M&A Deals	165,353	165,353	165,353	165,353
Carduus Capital	-	10,000	-	-
	729,332	739,332	273,829	273,829

Publishing Rights

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
What Investment	494,890	494,890	494,891	494,891
Small Business Guide	207,092	212,592	207,092	212,592
Growth Company Investor	11,506	11,506	-	-
The Wrong Price	-	5,000	-	-
Information Age	525,095	525,095	-	-
	1,238,583	1,249,083	701,983	707,483

The Group tests goodwill and publishing rights annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and direct costs. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on a combination of industry growth forecasts and specific business plans for each CGU. Changes in direct costs are based on past practices and expectations of future changes.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for a period of 12 months and extrapolates cash flows for the relevant period based on the estimated growth for each CGU for a further 48 months.

The rate used to discount the forecast cash flows for each of the CGUs was 11% (2015: 11%) and growth rates are assumed to be an average of industry expected growth rates, which range from 0% to 15%.

Sensitivity to changes in assumptions

Forecast future cash flows are inherently uncertain and could change materially over time. The CGUs most impacted by changes in assumptions are Information Age and What Investment.

The estimated recoverable amount for Information Age is £1,571,436, compared to its carrying value of intangibles of £938,935. The key assumptions in the cash flow forecasts relate to revenue. The forecasts assume that online revenue is expected to grow in Year Two by 15% and 10% in Years Three to Five, with print revenue to increase by an average of 3% across the whole period. If the growth rate of online revenue in Years Two and Three was 5%, the recoverable amount would

11 INTANGIBLE ASSETS (continued)

drop to £1,379,062.

The estimated recoverable amount for What Investment is £588,133, compared to its current carrying value of £494,890. The key assumptions in the cash flow forecasts relate to revenue. The forecasts assume that online revenue growth will be 15% in Years Two to Five. If the forecast growth rate of online revenues was 5% for Years Two and Three and there was no growth for print, then the recoverable amount would reduce to £514,037.

12 PROPERTY, PLANT AND EQUIPMENT

GROUP	Short leasehold improvements £	Fixtures, fittings and equipment £	Total £
COST			
1 February 2014	22,652	234,176	256,828
Additions	-	1,013	1,013
Disposals	(22,652)	-	(22,652)
31 January 2015	-	235,189	235,189
Additions	-	-	-
Disposal	-	(4,025)	(4,025)
31 January 2016	-	231,164	231,164
DEPRECIATION			
1 February 2014	22,652	230,890	253,542
Charge for the year	-	651	651
Disposals	(22,652)	-	(22,652)
31 January 2015	-	231,541	231,541
Charge for the year	-	2,239	2,239
Disposals	-	(3,737)	(3,737)
31 January 2016	-	230,043	230,043
NET BOOK VALUE			
31 January 2016	-	1,121	1,121
31 January 2015	-	3,648	3,648
1 February 2014	-	3,286	3,286

12 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Short leasehold improvements £	Fixtures, fittings and equipment £	Total £
COST			
1 February 2014	22,652	195,255	217,907
Additions	-	713	713
Disposals	(22,652)	-	(22,652)
31 January 2015 and 31 January 2016	-	195,968	195,968
DEPRECIATION			
1 February 2014	22,652	193,165	215,817
Charge for the year	-	487	487
Disposals	(22,652)	-	(22,652)
31 January 2015	-	193,652	193,652
Charge for the year	-	1,195	1,195
31 January 2016	-	194,847	194,847
NET BOOK VALUE			
31 January 2016	-	1,121	1,121
31 January 2015	-	2,316	2,316
1 February 2014	-	2,090	2,090

13 *INVESTMENTS*

COMPANY	*Subsidiary undertakings £*
COST	
1 February 2014	877,554
Acquisition of Carduus Capital LLP	10,000
31 January 2015 and 31 Janaury 2016	887,554
AMORTISATION	
1 February 2014, 31 January 2015	-
Impairment	(10,000)
31 January 2016	(10,000)
NET BOOK VALUE	
1 February 2014	877,554
31 January 2015	887,554
31 January 2016	877,554

The Company holds 100% of the issued ordinary share and voting rights capital of the following subsidiary undertakings which have been included in the consolidated accounts. All subsidiaries are incorporated in England and Wales. Carduus Capital LLP was acquired in September 2014. Carduus Capital LLP has an accounting reference date of 31 March.

COMPANY	*PRINCIPAL ACTIVITY*
Growth Company Investor Ltd	Online, print publishing and events for investors and entrepreneurs
Information Age Media Ltd	Monthly publication and events for IT professionals
Carduus Capital LLP	Dormant

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Current:				
Trade receivables	321,800	320,209	173,559	200,130
Impairment of trade receivables	(10,378)	(19,316)	(10,378)	(20,091)
	311,422	300,893	163,181	180,039
Other receivables	42,725	150,454	32,725	42,388
Prepayments and accrued income	55,237	104,253	40,326	55,120
	409,384	555,600	236,232	277,547

The Group's financial assets are fairly short-term in nature. In the opinion of the Directors, the carrying values equate to their fair value.

15 INVENTORIES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Raw materials	15,533	15,533	13,776	13,776

The amount of inventories recognised as an expense and charged to cost of sales was £nil (2015: £683).

16 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Cash and cash equivalents	77,411	27,368	64,035	11,316
Bank overdrafts (note 19)	(27,034)	-	-	-
	50,377	27,368	64,035	11,316

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

Cash and cash equivalents at 31 January 2016 includes £nil (2015: £10,254) of proceeds from the shares issued in the prior and current year (see note 17) that is held in a separate 'ring-fenced' bank account for the development of the 'crowd-funding platform'.

17 CALLED-UP SHARE CAPITAL

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Authorised:				
119,565,917 ordinary shares of 1p each	1,195,659	1,195,659	1,195,659	1,195,659
25,603,787 deferred shares of 9p each	2,304,341	2,304,341	2,304,341	2,304,341

	2016	2016	2015	2015
	Number	£	Number	£
Issued and fully paid ordinary shares of 1p each				
As at 1 February 2015	50,672,743	506,727	47,465,260	474,653
Shares issued during the year	-	-	3,207,483	32,074
As at 31 January 2016	50,672,743	506,727	50,672,743	506,727
Deferred shares of 9p each				
At 31 January 2015 and 2016	25,603,787	2,304,341	25,603,787	2,304,341

	Share capital	Share premium	Total
	£	£	£
Issued and fully paid			
As at 1 February 2014	2,778,994	3,209,166	5,988,160
Shares issued during the year	32,074	48,644	80,718
As at 31 January 2015	2,811,068	3,257,810	6,068,878
Shares issued during the year	-	-	-
As at 31 January 2016	2,811,068	3,257,810	6,068,878

Rights of shares

Dividends and income – Deferred shares are not entitled to any income or dividend. Ordinary shares are entitled to receive dividends as approved by the Board of Directors.

Voting rights – Deferred shares are not entitled to any vote. Ordinary shares are entitled to one vote per share at General Meetings. Deferred shares cannot be transferred.

Distribution – Upon the liquidation of the company, once all liabilities have been met, ordinary shareholders will receive the value paid up per share plus £100. Deferred shareholders will then receive the amounts paid up on each share. Any remaining funds will be shared amongst ordinary shareholders.

Shares issued in prior year

In the prior year shares were issued on 7 March 2014 at a price of 2.20p per share and on 11 December 2014 at a price of 3.75p per share.

17 *CALLED-UP SHARE CAPITAL (continued)*

The Company has granted options to subscribe for ordinary shares of 1p each, as follows:

Grant date	*Subscription price per share*	*Period within which options are exercisable*	*Number of shares for which rights are exercisable* 2016	2015
05.08.2010	9.00p	05.08.2010 - 04.08.2020	115,000	115,000
05.08.2010	9.00p	28.02.2011 - 04.08.2020	75,000	75,000
05.08.2010	9.00p	22.06.2012 - 04.08.2020	250,000	250,000
15.02.2011	8.00p	15.02.2015 - 14.02.2021	500,000	500,000
27.07.2012	4.00p	26.07.2015 - 25.07.2022	400,000	400,000
14.02.2013	2.25p	14.02.2016 - 13.02.2023	350,000	350,000
01.04.2014	4.63p	01.04.2014 - 01.04.2024	150,000	150,000
01.04.2014	4.63p	01.04.2017 - 01.04.2024	200,000	200,000
30.09.2014	3.75p	30.09.2015 - 30.09.2024	500,000	500,000
12.11.2014	3.00p	12.11.2015 - 12.11.2024	725,000	725,000
			3,265,000	3,265,000

18 *EQUITY-SETTLED SHARE OPTION SCHEMES*

For details of share option schemes in place during the year, see note 17.

Details of the number of share options and the weighted average exercise price (WAEP) during the year are as follows:

	2016 *Number*	*WAEP (pence)*	***2015*** *WAEP Number*	*(pence)*
Outstanding at the beginning of the year	3,265,000	4.9p	1,979,203	7.4p
Granted during the year	-	-	1,575,000	3.6p
Lapsed during the year	-	-	(289,203)	14.6p
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	3,265,000	4.9p	3,265,000	4.9p
Exercisable at the end of the year	1,340,000	7.1p	440,000	9.0

The market price of the Company's shares on 31 January 2016 was 3.12p (2015: 2.88p).

18 EQUITY-SETTLED SHARE OPTION SCHEMES (continued)

The fair values were calculated using the Black-Scholes valuation method. The inputs to the model were as follows:

	2015
Weighted average share price (pence)	3.62
Exercise price (pence)	3 – 4.63
Expected volatility (%)	44.3 – 45.6
Expected life (years)	6
Risk-free rate (%)	2.20 – 2.74
Dividend yield (%)	-
Vesting condition (%)	-

There were no options granted in 2016.

Expected volatility was determined by calculating the historic volatility of the Group's share price over the previous five-year period.

The weighted average remaining contractual life is 7.1 years (2015: 8.1 years).

The charge for the year for options granted during the year was £16,659 (2015: £11,234) which is included in administrative expenses. Fair value of the options granted during the year was £nil (2015: £26,371).

Options granted have a vesting period of between zero and three years. The exercise of options will normally be conditional on the holder being in the Group's employment at the end of the vesting period.

19 BORROWINGS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Current:				
Bank overdraft	27,034	-	-	-
Invoice discounting facilities	192,126	197,531	131,770	136,120
Short-term loans	210,000	90,000	210,000	90,000
Convertible loan	24,500	-	24,500	-
	453,660	287,531	366,270	226,120
Non-current:				
Convertible loan (now short-term)	-	30,000	-	30,000
Long-term loan (now short-term)	-	80,000	-	80,000
	-	110,000	-	110,000

The bank overdraft and invoice discounting facilities are at floating rates, exposing the group to cash flow interest rate risk.

19 *BORROWINGS (continued)*

The weighted average interest rates paid were as follows:

	2016	*2015*
	%	*%*
Invoice discounting facilities	3.70	3.25
Short-term loans	5.49	6.33
Convertible loan	6.50	6.50
Debenture	7.00	7.00

Sensitivity analysis on the level of interest rates has not been undertaken as the Directors believe that any increase or decrease in interest rates during the current and previous year would have had no material impact on the level of interest payable. The fair value of borrowings approximates their carrying amount, as the impact of discounting is not significant.

The other principal features of the Group's borrowings are as follows:

(i) Invoice discounting facility advances are secured by a debenture over trade receivables. The net book value is disclosed in Note 14. The average effective interest rate approximates to 3.7% per annum and is determined based on 3.0 % to 3.5% above bank base rates.

(ii) Convertible loans have a fixed interest rate of 6.5% and are secured against the company's assets. They are due for repayment by the end of September 2016 and with an option for the holder to convert at any time (part or all) after 29 September 2015 into ordinary shares in Vitesse Media Plc at a price of 2p per share.

(iii) The debenture loan has a fixed interest rate of 7%. It is due for repayment in January 2017. £55,000 of the loan was lent by The Derek Stewart SIPP, of which Derek Stewart is a controlling party. Derek Stewart was appointed as a non-executive Director of the company on 25 February 2014 and resigned on 31 July 2014.

20 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
				(restated)
Current:				
Trade payables	323,480	256,601	230,696	198,097
Taxation and social security	28,777	81,833	11,277	31,740
Other payables	23,998	18,565	440	544
Accruals	247,162	294,878	215,157	210,987
Deferred income	101,061	145,741	64,018	66,045
Amounts owed to subsidiary undertaking	-	-	1,727,879	1,319,136
	724,478	797,618	2,249,467	1,826,549

The Group's financial liabilities are fairly short-term in nature. In the opinion of the Directors the carrying values equate to their fair value.

21 NOTES TO THE CASH FLOW STATEMENT

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Loss before tax	(204,046)	(28,056)	(557,221)	(433,130)
Adjustments for:				
Finance costs	8,565	7,767	8,408	5,579
Amortisation	34,335	41,496	31,340	35,662
Impairment	95,562	-	95,562	-
Depreciation of property, plant and equipment	2,239	651	1,195	487
Write off tangible assets	288	-	-	-
Write off goodwill	10,000	-	10,000	-
Write off intangible assets	5,000	-	-	-
Share-based payment charge	16,659	11,234	16,659	11,234
Operating cash flows before movements in working capital	(31,398)	33,092	(394,056)	(380,168)
Decrease in inventories	-	683	-	-
Decrease/(Increase) in receivables	142,311	(237,386)	37,411	(84,786)
(Decrease)/Increase in payables	(73,140)	6,535	14,172	129,695
CASH FLOWS USED IN OPERATIONS	37,773	(197,076)	(342,473)	(335,259)

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS AND ANALYSIS OF NET FUNDS

GROUP	At 1 February 2015 £	Cash flow £	At 31 January 2016 £
Cash and cash equivalents (note 16)	27,368	23,009	50,377
	27,368	23,009	50,377

COMPANY	At 1 February 2015 £	Cash flow £	At 31 January 2016 £
Cash and cash equivalents (note 16)	11,316	52,719	64,035
	11,316	52,719	64,035

23 OPERATING LEASE COMMITMENTS

Total of future minimum operating lease payments under non-cancellable operating leases:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Land and buildings				
Less than one year	98,405	98,405	98,405	98,405
Between one and two years	73,804	98,405	73,804	98,405
Between two and five years	-	73,804	-	73,804
	172,209	270,614	172,209	270,614

The lease is in respect of the property used by the Group in its business.

24 *RELATED PARTY TRANSACTIONS*

GROUP

ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

KEY MANAGEMENT COMPENSATION

The key management personnel are considered to be the Directors, and their remuneration is:

	2016	*2015*
	£	*£*
Directors' remuneration	238,064	255,766
Share-based payments	16,659	11,234
Social security costs	24,344	28,174
Total	279,067	295,174

RELATED PARTY TRANSACTIONS

During the year ending 31 January 2016, the related party transactions were concerning inter-company loans and other transactions with Directors which are disclosed in notes 7 and 19.
C. Ingram, the Executive Chairman, has received fees of £38,750 through his company Ingram Enterprise Investors LLP, for services during the year. Also, Ingram Enterprise Investors LLP lent the group £70,000 (2015 : £30,000) and interest was charged during the year at £2,940 (2015 : £29) at 5%. As disclosed in note 27, Mr Ingram subscribed for ordinary shares for consideration of £250,000.

COMPANY

TRANSACTIONS WITH SUBSIDIARIES

The only transactions with subsidiary companies during the year ending 31 January 2016 and 31 January 2015 related to inter-company loan payments and receipts.

	2016	*2015*
Loans due to subsidiary companies	*£*	*£*
Growth Company Investor Ltd	(446,062)	(364,835)
Information Age Media Ltd	(1,281,818)	(954,301)
Total	(1,727,880)	(1,319,136)

25 *CONTINGENT LIABILITY*

The Company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other Group companies' unpaid debts in this connection. The liability of the UK group registration at 31 January 2016 totalled £4,724 (2015: £20,000).

The Group have a mortgage debenture in favour of Lloyds TSB Bank plc covering borrowings of the group companies. The maxiumum liability for the group at 31 January 2016 is £440,434 (2015: £397,606). The maximum liability for the company was £88,442 (2015: £62,683).

26 *CAPITAL COMMITMENT*

The group has ongoing software development commitments of £11,425 (2015 : £nil).

27 *POST BALANCE SHEET EVENT*

Following the year end the company issued 13,888,889 shares for £0.018p per share at a premium of £0.008p. Total consideration received was £250,000 of which £180,000 was cash consideration and £70,000 to settle outstanding borrowings.

VITESSE MEDIA

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