



VITESSE MEDIA

Annual Report & Accounts

2014



V I T E S S E M E D I A

Annual Report & Accounts

2014

Company Directors and Advisers

Directors

Sara Williams, Executive Chairman

Niki Baker, Chief Executive Officer

David Smith, Executive Deputy Chairman

Andrew Brode, Non-Executive Director

Keith Willey, Non-Executive Director

Jonathan Sumner, Executive Director

Derek Stewart, Non-Executive Director (appointed 25 February 2014)

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 Bank, 1st Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX

Solicitors

Orrick, Herrington & Sutcliffe LLP, 107 Cheapside, London EC2V 6DN

Auditors

Baker Tilly UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

AIM Broker and Nominated Adviser

Westhouse Securities Ltd, One Angel Court, London EC2R 7HJ

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Directors and management team

Directors



Sara Williams – Executive Chairman

Sara founded Vitesse Media Plc in 1997 and is its executive chairman. Her role includes developing the growth and acquisition strategy. Sara is a well-known business author. Over two million copies of her book *The FT Guide to Business Start Up* (formerly the *Lloyds TSB Small Business Guide*) have been published. Her former roles include accountant and investment analyst.



David Smith – 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.



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 a team of over 40 staff, having 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.



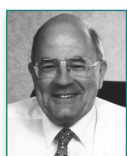
Jonathan Sumner – Director for Digital and Social Media

Jonathan is the company's online publisher and head of the business division. He has responsibility for delivering the revenue figures for all online activities and is the driving force behind new developments for existing websites and ideas for new websites. Jonathan has been with Vitesse Media since 2003 and was appointed a director in May 2012.



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.



Derek Stewart – Non-Executive Director

Derek has 30 years' experience in financial markets and was previously co-founder and CEO of Mellon Global Alternative Investments (a subsidiary of BNY Mellon), where he managed US\$2 billion of assets on behalf of institutional clients. More recently, he has been an angel investor and adviser to a number of mobile technology, media and leisure related start-ups, including co-founding cab:app, a mobile taxi booking and payments business in 90 cities across the UK and Ireland.

Management team



Carolina Vidrascu – Finance Manager

Carolina is a qualified chartered management accountant with a strong background in all areas of the accounting system. She has benefited from progressively responsible duties gained over the course of a career based on strong analytical and organisational skills.



Ben Brougham – Head of Events

Ben is head of the events team across Vitesse Media. He has more than 16 years' experience in the global publishing and events industries. Before joining Vitesse in February 2008, he worked as business development manager at Caspian Publishing and as group publisher at Euromoney Institutional Investor.



Nick Britton – Head of Investment

As head of the Investment Group at Vitesse Media, Nick is responsible for the financial and operational performance of the division, which includes the well-established brands *What Investment* and *Growth Company Investor*. He joined Vitesse in 2007 and has worked in a variety of roles including journalist, editor, head of research and editorial director.



Ben Jaglom – Editor, Growth Company Investor

Ben Jaglom joined *Growth Company Investor* as an analyst in 2010, having previously worked at publications including *The Jewish Chronicle*. He was appointed to the role of editor of *Growth Company Investor* in 2012, also serving as the head of investment research at Vitesse Media. A graduate of Cambridge University, he also holds the Investment Management Certificate.



Ben Rossi – Editor, Information Age

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.



Samantha Coles – Head of Investment Marketing

Samantha joined Vitesse in early 2010 and is responsible for planning and delivering all of Vitesse Media's investment marketing activity. She has over nine years' experience in publishing and more than six years' experience in subscription and event marketing, which has given her the expertise in how to brand and market products successfully.

Chairman's report

HIGHLIGHTS

- Revenues up 2%; losses more than halved
- Revenues in the Events and SME divisions both 20% ahead of the prior year
- User numbers for the three major websites showed significant increases during the year – nearly 600,000 extra visitors to the sites, up 36%
- Refocusing of the revenue model, with further emphasis on events income, lead generation and editorially led special projects, continues
- Placing completed in January to develop a mobile crowd-funding platform and modernise the Group's entire technical platform
- Appointment of Derek Stewart to strengthen the team and lead the development of the crowd-funding initiative

PERFORMANCE DURING THE FINANCIAL YEAR 2013/14 AND PLANS FOR 2014/15

While the economic environment remained challenging, I am pleased to report an improved financial performance, driven by management's continuing efforts to control costs, meaning that the loss for the year was more than halved.

The Group also achieved a small increase in revenues and, importantly, continued to build momentum in refocusing upon digital delivery and events, by building its audience through its websites. The success in growing events-based revenues has been particularly pleasing, and there has also been demonstrable success in increasing visitors to some of the Company's key websites.

The *What Investment* website saw visitors up 93%, the *Information Age* site grew traffic by 34%, and *SmallBusiness.co.uk* saw users increase by 26%. All divisions also increased the numbers of users in their social media communities. The investment in technology, which is planned to take place during the coming six to nine months, will see all of these sites become mobile responsive, and will refresh the user interface and functionality.

During 2013/14, the Events team secured several contracts for the management of events, which will impact favourably for the financial year 2014/15. In addition, overall events revenues were up 20% on the 2012/13 year, including a 23% increase in table sales, as the climate for face-to-face events continued to improve. As a result, the contribution from the Events team increased by more than 50%.

The Technology division, based around *Information Age*, saw a fall in revenues during the year under review. Steps were taken to turn this trend around, including a change in management and a reduction in costs. More recently, the new team has focused on the launch of a white paper platform for lead generation, a redesign of the magazine and the launch of new events, such as the Women in IT Awards, as well as continuing to build web traffic. Management remain confident that this division has the potential to continue to contribute positively to the Group in the future.

While revenues from the Investment division showed a slight decline over the year, there were several encouraging factors, such as the significant increase in web traffic and the implementation of the Retail Distribution Review. More recently, budget changes have further improved the trading environment for *What Investment*. Plans include the integration of a lead generation platform and the launch of a Peer-to-Peer Awards event. I am pleased to report that the large increase in user numbers to this site is feeding through to increased online revenues for the Investment division for the first four months of the year 2014/15, albeit starting from a low base.

The SME division increased revenues by 21% compared with the 2012/13 financial year, and the team continued to work with many blue-chip clients such as Microsoft, HSBC, Sage, AXA, Lloyds, Amex, Google and Hewlett-Packard on bespoke integrated packages.

Traffic to the relaunched SmallBusiness.co.uk increased by more than 25% during the year, and the team is forecasting a further significant increase for both this site and GrowthBusiness.co.uk, with the prospect of taking the combined SME user numbers above 2 million.

In the 2014/15 year, the SME team has launched a new membership service, the Small Business Profit Club, and is developing a white paper and business guide service providing further revenue streams, underpinned by data and lead referral. The team is also working on its first event for the autumn, The Festival of Small Business.

CROWD-FUNDING PLATFORM

One of the Group's strengths lies in its connections with SMEs, high-net-worth individuals and intermediaries. In a review of opportunities for the business, the board concluded that entry to the fast-growing peer-to-peer lending or crowd-funding sector could add a complementary layer of revenues in an expanding market that could be incorporated into the Group's activities in a cost-effective manner.

NEW TECHNOLOGY PLATFORM

The Group is to further integrate key areas of the business in order to create a coherent digital strategy that is fit for the future and will deliver both cost savings and growing revenues. The business will be more integrated, automated and agile, allowing us to adapt to change faster. This will improve our visibility across the business to our entrepreneurial and investor audience.

As a result of the development, the business will have more knowledge and expertise in-house, reducing the reliance on third parties, while providing efficiencies in processes, data management, marketing communications and product development.

CHANGE OF STATUS FOR DIRECTOR

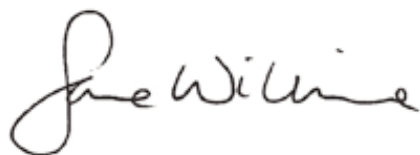
David Smith has indicated that he wishes to become non-executive from 1 August, and we are delighted that we will retain his expertise in his continuing role as deputy chairman.

TRADING IN THE FIRST FOUR MONTHS AND THE OUTLOOK FOR THE HALF-YEAR TO THE END OF JULY

The trading to May has continued to show improvement in sales, and the half-year should once again be ahead of last year.

OUTLOOK FOR THE GROUP

Management have worked hard to turn around the fortunes of the Group, and have now achieved stability across most divisions, with encouraging growth in some areas. With the launch of the crowd-funding platform into a rapidly growing market, we are confident that the business will move to delivering its full revenue and profit potential.



ESM Williams
Chairman

Business review

A review of each division's activities during the 2013/14 financial year is presented below.

SME/BUSINESS DIVISION

The SME division comprises our products for entrepreneurs and small businesses, chiefly SmallBusiness.co.uk and GrowthBusiness.co.uk. The division's sales include a diverse revenue mix, mainly based on advertising, sponsorship and integrated digital projects, and accounted for 27% of the Group's revenues in 2013/14, up from 24% in the previous year. Gross margin increased during the year to 86%, up from 78% in the previous year, with like-for-like revenue up 20% year-on-year.

'The SME/Business division's like-for-like revenue was up 20% year-on-year'

During the year, the brands maintained their market position as the UK's most authoritative sources of independent advice and support for established small to medium-sized enterprises. SmallBusiness.co.uk was relaunched in Feb 2013, significantly growing traffic, up 26% year-on-year. Our reach across social media and mobile also increased, up 134% and 117% respectively.

The growth in web traffic on SmallBusiness.co.uk directly benefited sales across the brand, contributing to an overall increase in sales of 27% against the previous year, with significant gains across integrated sponsorships and content creation.

The team works with a diverse client portfolio, structuring cross-media campaigns for the likes of Microsoft, Lloyds, FedEx, Vodafone, Hewlett-Packard, HSBC, Google, AXA, Sage and many more. Looking forward, the SME portfolio is diversifying its revenue mix, developing subscription products, a lead generation platform and a mobile offering to enable it to access fresh revenue streams through social media and mobile advertising.

INVESTMENT DIVISION

The Investment division is made up of our 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 20% of total Group sales in the 2013/14 financial year. Gross margin for the division was little changed at 67% compared with 68 per cent the previous year.

'There has been a 93% uplift in page impressions on WhatInvestment.co.uk'

The 2013/14 financial year saw continued pressure on sales from traditional advertising, partly offset by rapid growth in research and sponsorship revenues for special editorial projects, which were up 133% on 2012/13. Our special projects included digital guides on topics such as income drawdown, structured products and crowd-funding, as well as roundtables and research reports into the Alternative Investment Market. We are seeing sustained interest from clients in such projects going into the current financial year.

Subscriber numbers on *What Investment* and *Growth Company Investor* continued to grow, and were up 0.5%

and 0.9% respectively at the end of January 2014 compared to 12 months earlier. However, the switch to cheaper digital subscriptions meant that subscription revenues fell year-on-year. We have raised the price of *What Investment* digital subscriptions by 20% going into the 2014/15 financial year as we improve our digital offering and work on mobile and tablet platforms to expand our reach.

One major success of the 2013/14 financial year was the 93% uplift in page impressions on WhatInvestment.co.uk. This dramatic improvement came as a result of the relaunch of the website in January 2013 and our new strategy of focusing on editorial content with greater longevity, as well as providing more insightful news stories. We have seen these year-on-year traffic gains continue into 2014, with the pace of growth accelerating, helping to win client business as well as attracting new readers. Our traffic via social referral was up 337% in the 2013/14 financial year compared with the previous period.

TECHNOLOGY DIVISION

Our Technology division consists of the *Information Age* website, app and print magazine, along with reports, sponsored projects and events.

Technology generated 20% of the Group's revenue in 2013/14 with a gross margin of 84%, up from 79% in the previous year. Nevertheless, it was a challenging year for the Technology division, with revenues across the brand down year-on-year. The executive management restructured the brand, significantly reducing the overhead and focusing the revenues towards lead generation and integrated digital projects, which helped make up some of the shortfall across print, online and events.

Although the desire of advertisers to reach *Information Age's* specialist readership of IT decision-makers remained strong, the division was not able to meet all of this demand using its existing media mix. Our clients' budgets were more focused on data collection and leads as they reduced their commitment to traditional print and display advertising.

In the second half of the year, the division launched a lead generation service, built around white papers and digital guides. The service directly benefited revenues and provides the foundation for growth within the division.

With traffic up 34% year-on-year and the continued growth in mobile traffic, up 145% against the previous year, the focus is delivering revenue growth across lead generation and events. Since the year-end, revenue from lead generation has significantly grown, with the database more than doubling.

Information Age is seen in the market as a premier title with strong and valued content, but had increasingly been viewed as needing a rebrand and a new direction. With this in mind, we saw an opportunity to differentiate the title by undertaking a major redesign in Q1 which has breathed new life into the brand, making it the most attractive magazine for IT executives in the UK.

Aside from the new logo and design, we also overhauled the structure of the magazine in order to introduce a new commercial model based on high-ticket partnerships that span all of our platforms: print/digital, online, lead generation and events.

The four new core sections – storage, security, network and innovation – not only resonate more with IA's audience than its previous sections, but also align more closely with advertisers, who now have the option to take full ownership of a section via sponsorship.

*'A major redesign has
breathed new life into
Information Age magazine'*

EVENTS DIVISION

Vitesse Vitesse Media's Events division has a twofold function. First, it works closely with the SME/Business, Investment and Technology teams, organising and monetising events associated with the Company's flagship brands such as GrowthBusiness.co.uk, *Growth Company Investor* and *Information Age*. Moreover, it operates and has been growing its third-party events management business, running events for a variety of clients.

The team contributed 33% of Group revenues in 2013/14, up from 28% in the previous year, and achieved a gross margin of 45%, up from 40%. Revenues originate from the sale of delegate places, table sales, event sponsorship and third-party management contracts.

Events owned or part-owned by Vitesse Media include the M&A Awards, Investor AllStars, New Energy & Cleantech Awards and Clean Invest (associated with GrowthBusiness.co.uk); the Quoted Company Awards (associated with *Growth Company Investor*); and the Tech Invest and Data Leadership conferences (associated with *Information Age*). Of these, Investor AllStars achieved its highest revenues to date and attracted a headline sponsor for the first time. The Quoted Company Awards celebrated its tenth anniversary and table sales increased by 51.5%.

Our third-party events management business, which makes up 23% of overall events revenue, won a two-year contract to organise the 2014 Anaerobic Digestion & Biogas Association's annual awards, and a further two-year contract to manage the Garden Media Guild Awards.

In July 2014, the division will be organising a second Tech Invest forum, after being invited to hold the event at the International Festival for Business in Liverpool, and will be organically building the event team's portfolio throughout the year.

*'The Events division
increased its gross margin
from 40% to 45%'*

Strategic report

PRINCIPAL ACTIVITIES

The Company specialises in offering digital and social media campaigns, 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 on pages 6 and 7.

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 apprised 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 focused 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.

	<i>2014</i>	<i>2013</i>
Revenue	£2,109,690	£2,064,667
Gross profit percentage	72.91%	71.23%
Loss before tax*	(£175,533)	(£344,558)

*Before share-based payments and impairment of intangible assets.

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 2015 for the purposes of approving these financial statements. The Group is primarily financed through invoice discounting facilities and further details of these are explained in note 18. The cash flow forecasts demonstrate that the Group will be able to operate within the borrowing facilities and the Directors are confident that the invoice discounting facilities will continue to be made available to the Group beyond 31 July 2015. The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

On behalf of the board on 20 June 2014,



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 2014.

RESULTS AND DIVIDENDS

The results for the year are set out on page 17. The Directors are precluded from recommending the payment of a dividend.

FINANCIAL RISK MANAGEMENT

Financial risks are considered and disclosed in note 2.

DIRECTORS

The following Directors have held office since 1 February 2013:

ESM Williams	AS Brode	(Non-executive)
DJ Smith	K Willey	(Non-executive)
NJ Baker	D Stewart	(Non-executive, appointed 25 February 2014)
J Sumner		

DIRECTORS' INTERESTS IN ORDINARY SHARES

Interests of Directors who held office as at 31 January 2014 in the ordinary shares of the Company were as follows:

	As at 31 January 2014 Ordinary shares of 1p each Number	As at 31 January 2013 Ordinary shares of 1p each Number
ESM & PRT Williams	9,994,452	9,994,452
DJ Smith	7,368,421	7,368,421
A Brode	916,149	916,149

Details of Directors' interest in share option are disclosed in note 6 of the financial statements.

SIGNIFICANT SHAREHOLDERS

On 17 June 2014 the Company was aware of the following interests in the ordinary share capital of the Company of greater than 3%.

	Number	%
ESM Williams	9,994,452	20.0
DJ Smith	7,368,421	14.7
D Stewart	5,000,000	10.0
Artemis Investment Management	4,538,206	9.1
A Mearns	3,914,142	7.8
C Ingram	2,886,306	5.8
Greenhill LLC	2,348,485	4.7
Ferlim Nominees Ltd	1,977,759	4.0
Unicorn Asset Management	1,600,236	3.2

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 that reflect the principles of the UK Corporate Governance Code and 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

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board on 20 June 2014,



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 17 to 56. 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 14, 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 statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 January 2014 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 26 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 of £177,508 during the year ended 31 January 2014 and, at that date, the Group's current liabilities exceeded its current assets by £463,144. These conditions, along with the other matters explained on page 26 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.

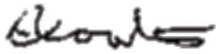
Opinion on other matter prescribed by the Companies Act 2006

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 BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

20 June 2014

Consolidated statement of comprehensive income

for the year ended 31 January 2014

	Notes	2014 £	2013 £
Revenue	3	2,109,690	2,064,667
Cost of sales	4	(571,588)	(593,904)
Gross profit		1,538,102	1,470,763
Administrative expenses	4	(1,705,907)	(1,808,067)
Share-based payments	5	(1,975)	(26,582)
Impairment of goodwill and other intangible assets	10	-	(130,917)
Operating loss	4	(169,780)	(494,803)
Finance costs	7	(7,728)	(7,296)
Finance income	7	-	41
Loss before tax		(177,508)	(502,058)
Tax expense	8	-	-
Loss for the year attributable to owners of the parent		(177,508)	(502,058)
Total comprehensive income for the year attributable to owners of the parent		(177,508)	(502,058)
Loss per share			
Basic and diluted	9	(0.47p)	(1.44p)

The notes on pages 24 to 56 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 £381,360 (2013: loss of £758,459, including impairment of other intangible assets of £130,917).

All activities of the Group are classed as continuing.

Consolidated statement of changes in equity

for the year ended 31 January 2014

Attributable to owners of the Parent Company

	<i>Share capital</i> £	<i>Share premium</i> £	<i>Share-based payment reserve</i> £	<i>Other reserves</i> £	<i>Retained earnings</i> £	<i>Total</i> £
<i>As at 1 February 2012</i>	2,610,379	2,831,523	170,108	103,904	(4,063,543)	1,652,371
Loss for the year	-	-	-	-	(502,058)	(502,058)
Total comprehensive income for the year	-	-	-	-	(502,058)	(502,058)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	73,684	276,316	-	-	-	350,000
Issue costs	-	(12,590)	-	-	-	(12,590)
Total transactions with owners in their capacity as owners	73,684	263,726	-	-	-	337,410
Recognition of share-based payments	-	-	26,582	-	-	26,582
Share options lapsed	-	-	(64,570)	-	64,570	-
<i>As at 31 January 2013</i>	2,684,063	3,095,249	132,120	103,904	(4,501,031)	1,514,305
Loss for the year	-	-	-	-	(177,508)	(177,508)
Total comprehensive income for the year	-	-	-	-	(177,508)	(177,508)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	94,931	113,917	-	-	-	208,848
Total transactions with owners in their capacity as owners	94,931	113,917	-	-	-	208,848
Recognition of share-based payments	-	-	1,975	-	-	1,975
Share options lapsed	-	-	(1,579)	-	1,579	-
<i>As at 31 January 2014</i>	2,778,994	3,209,166	132,516	103,904	(4,676,960)	1,547,620

Company statement of changes in equity

for the year ended 31 January 2014

	<i>Share capital</i> £	<i>Share premium</i> £	<i>Share-based payment reserve</i> £	<i>Other reserves</i> £	<i>Retained earnings</i> £	<i>Total</i> £
<i>As at 1 February 2012</i>	2,610,379	2,831,523	170,108	103,904	(4,607,878)	1,108,036
Loss for the year	-	-	-	-	(758,459)	(758,459)
Total comprehensive income for the year	-	-	-	-	(758,459)	(758,459)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	73,684	276,316	-	-	-	350,000
Issue costs	-	(12,590)	-	-	-	(12,590)
Total transactions with owners in their capacity as owners	73,684	263,726	-	-	-	337,410
Recognition of share-based payments	-	-	26,582	-	-	26,582
Share options lapsed	-	-	(64,570)	-	64,570	-
<i>As at 31 January 2013</i>	2,684,063	3,095,249	132,120	103,904	(5,301,767)	713,569
Loss for the year	-	-	-	-	(381,360)	(381,360)
Total comprehensive income for the year	-	-	-	-	(381,360)	(381,360)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	94,931	113,917	-	-	-	208,848
Total transactions with owners in their capacity as owners	94,931	113,917	-	-	-	208,848
Recognition of share-based payments	-	-	1,975	-	-	1,975
Share options lapsed	-	-	(1,579)	-	1,579	-
<i>As at 31 January 2014</i>	2,778,994	3,209,166	132,516	103,904	(5,681,548)	543,032

Consolidated statement of financial position

Company Registration No. 02607995

at 31 January 2014

	Notes	2014 £	2013 £
NON-CURRENT ASSETS			
Goodwill	10	729,332	729,332
Other intangible assets	10	1,367,007	1,391,333
Property, plant and equipment	11	3,286	3,535
Trade and other receivables	13	-	21,139
		<u>2,099,625</u>	<u>2,145,339</u>
CURRENT ASSETS			
Inventories	14	16,216	19,504
Trade and other receivables	13	318,214	332,908
Cash and cash equivalents	15	227,479	-
		<u>561,909</u>	<u>352,412</u>
TOTAL ASSETS		<u><u>2,661,534</u></u>	<u><u>2,497,751</u></u>
EQUITY			
Share capital	16	2,778,994	2,684,063
Share premium account	16	3,209,166	3,095,249
Share option reserve	17	132,516	132,120
Other reserves		103,904	103,904
Retained earnings		(4,676,960)	(4,501,031)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>1,547,620</u>	<u>1,514,305</u>
CURRENT LIABILITIES			
Trade and other payables	19	815,583	789,151
Borrowings	18	188,331	194,295
		<u>1,003,914</u>	<u>983,446</u>
NON-CURRENT LIABILITIES			
Borrowings	18	110,000	-
TOTAL LIABILITIES		<u>1,113,914</u>	<u>983,446</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,661,534</u></u>	<u><u>2,497,751</u></u>

The financial statements on pages 17 to 56 were approved by the Board of Directors and authorised for issue on 20 June 2014.

They were signed on its behalf by:



N Baker, Director

Company statement of financial position

Company Registration No. 02607995

at 31 January 2014

	Notes	2014 £	2013 £
NON-CURRENT ASSETS			
Goodwill	10	273,829	273,829
Other intangible assets	10	794,173	827,085
Property, plant and equipment	11	2,090	2,502
Investment in subsidiaries	12	877,554	877,554
Trade and other receivables	13	-	21,139
		<u>1,947,646</u>	<u>2,002,109</u>
CURRENT ASSETS			
Inventories	14	13,776	13,776
Trade and other receivables	13	192,980	176,954
Cash and cash equivalents	15	216,637	-
		<u>423,393</u>	<u>190,730</u>
TOTAL ASSETS		<u><u>2,371,039</u></u>	<u><u>2,192,839</u></u>
EQUITY			
Share capital	16	2,778,994	2,684,063
Share premium account	16	3,209,166	3,095,249
Share option reserve	17	132,516	132,120
Other reserves		103,904	103,904
Retained earnings		(5,681,548)	(5,301,767)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>543,032</u>	<u>713,569</u>
NON-CURRENT LIABILITIES			
Trade and other payables	19	1,107,199	841,721
Borrowings	18	110,000	-
		<u>1,217,199</u>	<u>841,721</u>
CURRENT LIABILITIES			
Trade and other payables	19	469,127	506,770
Borrowings	18	141,681	130,779
		<u>610,808</u>	<u>637,549</u>
TOTAL LIABILITIES		<u>1,828,007</u>	<u>1,479,270</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,371,039</u></u>	<u><u>2,192,839</u></u>

The financial statements on pages 17 to 56 were approved by the Board of Directors and authorised for issue on 20 June 2014.

They were signed on its behalf by:



N Baker, Director

Consolidated statement of cash flows

for the year ended 31 January 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
CASH FLOWS USED IN OPERATING ACTIVITIES	20	(46,074)	(144,541)
Interest received		-	41
Interest paid		(7,728)	(7,296)
NET CASH USED IN OPERATING ACTIVITIES		<u>(53,802)</u>	<u>(151,796)</u>
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(3,557)	(959)
Purchases of intangible assets		(28,046)	(61,096)
NET CASH USED IN INVESTING ACTIVITIES		<u>(31,603)</u>	<u>(62,055)</u>
FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		208,848	350,000
Share issue costs		-	(12,590)
Bank loan received		55,000	-
Repayment of invoice discounting facility and bank loan		(35,437)	(119,623)
Proceeds from long-term borrowings		110,000	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		<u>338,411</u>	<u>217,787</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	21	253,006	3,936
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15	<u>(25,527)</u>	<u>(29,463)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	<u><u>227,479</u></u>	<u><u>(25,527)</u></u>

Company statement of cash flows

for the year ended 31 January 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
CASH USED IN OPERATING ACTIVITIES	20	(364,108)	(434,831)
Interest received		-	41
Interest paid		(5,389)	(4,518)
NET CASH USED IN OPERATING ACTIVITIES		<u>(369,497)</u>	<u>(439,308)</u>
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(2,994)	(959)
Purchases of intangible assets		(6,100)	(49,806)
NET CASH USED IN INVESTING ACTIVITIES		<u>(9,094)</u>	<u>(50,765)</u>
FINANCING ACTIVITIES			
Proceeds from issue of share capital		208,848	350,000
Share issue costs		-	(12,590)
Bank loan received		55,000	-
Repayment of invoice discounting facility and bank loan		(10,656)	(45,914)
Proceeds from long-term borrowings		110,000	-
Loans from subsidiaries		265,478	203,202
NET CASH GENERATED FROM FINANCING ACTIVITIES		<u>628,670</u>	<u>494,698</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	21	250,079	4,625
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15	<u>(33,442)</u>	<u>(38,067)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	<u><u>216,637</u></u>	<u><u>(33,442)</u></u>

Notes to the financial statements

for the year ended 31 January 2014

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 Octavia House, 50 Banner Street, London EC1Y 8ST.

The consolidated financial statements represent the year to 31 January 2014 and comprise the financial statements of the Company and its subsidiaries ('Group'). The comparative period represents the year to 31 January 2013. 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 26.

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 10. 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 10.

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 2014 or later periods, but they have not been early adopted by the Group:

• IFRS 2 (Revised)	Share-based Payment (amendment):	1 July 2014
• IFRS 3 (Revised)	Business Combinations (January 2008):	1 July 2014
• IFRS 8 (Revised)	Operating Segments (amendment):	1 July 2014
• IFRS 10	Consolidated Financial Statements:	1 January 2014
• IFRS 11	Joint Arrangements:	1 January 2014
• IFRS 12	Disclosure of Interests in Other Entities:	January 2014
• IFRS 14	Regulatory Deferral Accounts:	1 January 2016
• IFRS 15	Revenue from Contracts with Customers:	1 January 2017
• IAS 16 (Revised)	Property, Plant and Equipment (amendment):	1 July 2014
• IAS 19 (Revised)	Employee Benefits (amendment):	1 July 2014
• IAS 24 (Revised)	Related Party Disclosures (amendment):	1 July 2014
• IAS 38 (Revised)	Intangible Assets (amendment):	1 July 2014
• IAS 40 (Revised)	Investment Property (amendment):	1 July 2014

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 pages 6 and 7 and the Business Review on pages 8 to 10.

The Directors regularly review detailed forecasts of sales, costs and cash flows, often on a daily basis, and regularly project 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. £193,847 of the cash balance as of the year-end was ring-fenced for the crowd-funding project, as explained in note 15.

The Directors have formally reviewed cash flow forecasts for the period to 31 July 2015 for the purposes of approving these financial statements. The Group is primarily financed through invoice discounting facilities, and further details of these are explained in note 18. The cash flow forecasts demonstrate that the Group will be able to operate within the borrowing facilities, and the Directors are confident that the invoice discounting facilities will continue to be made available to the Group beyond 31 July 2015. 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.

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.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 during which 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.

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.

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.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

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 two to five 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.

1 **SIGNIFICANT ACCOUNTING POLICIES** (continued)

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.

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.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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, discounted 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.

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 18 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.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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:

<i>Maturity analysis at 31 January 2014</i>	<i>Less than 6 months £</i>	<i>Between 6 months and 1 year £</i>	<i>Between 1 year and 5 years £</i>	<i>Total £</i>
GROUP				
Bank and invoice discounting loans	188,331	-	110,000	298,331
Trade and other payables	540,520	-	-	540,520
Total liabilities	728,851	-	110,000	838,851
COMPANY				
Bank and invoice discounting loans	141,681	-	110,000	251,681
Trade and other payables	353,529	-	1,107,199	1,460,728
Total liabilities	495,210	-	1,217,199	1,712,409

2 FINANCIAL RISK MANAGEMENT (continued)

<i>Maturity analysis at 31 January 2013</i>	<i>Less than 6 months £</i>	<i>Between 6 months and 1 year £</i>	<i>Between 1 year and 5 years £</i>	<i>Total £</i>
GROUP				
Bank and invoice discounting loans	194,295	-	-	194,295
Trade and other payables	511,114	-	-	511,114
Total liabilities	<u>705,409</u>	<u>-</u>	<u>-</u>	<u>705,409</u>
COMPANY				
Bank and invoice discounting loans	130,779	-	-	130,779
Trade and other payables	392,959	-	841,721	1,234,680
Total liabilities	<u>523,738</u>	<u>-</u>	<u>841,721</u>	<u>1,365,459</u>

Trade and other payables consist of trade payables, other payables and accruals as shown in note 19.

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.

FINANCIAL RISK MANAGEMENT (continued)

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 that 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:

<i>31 January 2014</i>	<i>Fixed rate £</i>	<i>Floating rate £</i>	<i>Non-interest bearing £</i>	<i>Total asset £</i>	<i>Total liability £</i>
GROUP					
Trade and other receivables	-	21,139	223,893	245,032	-
Total loans and receivables	-	21,139	223,893	245,032	-
Bank loan, invoice discounting, other loans	137,666	160,665	-	-	298,331
Trade and other payables	-	-	540,520	-	540,520
Total liabilities at amortised cost	137,666	160,665	540,520	-	838,851
COMPANY					
Trade and other receivables	-	21,139	138,545	159,684	-
Total loans and receivables	-	21,139	138,545	159,684	-
Bank loan, invoice discounting, other loans	137,666	114,015	-	-	251,681
Trade and other payables	-	-	1,460,728	-	1,460,728
Total liabilities at amortised cost	137,666	114,015	1,460,728	-	1,712,409

2 FINANCIAL RISK MANAGEMENT (continued)

31 January 2013	Fixed rate £	Floating rate £	Non-interest bearing £	Total asset £	Total liability £
GROUP					
Trade and other receivables	-	21,139	295,044	316,183	-
Total loans and receivables	-	21,139	295,044	316,183	-
Bank and invoice discounting loans	-	194,295	-	-	194,295
Trade and other payables	-	-	511,114	-	511,114
Total liabilities at amortised cost	-	194,295	511,114	-	705,409
COMPANY					
Trade and other receivables	-	21,139	146,333	167,472	-
Total loans and receivables	-	21,139	146,333	167,472	-
Bank and invoice discounting loans	-	130,779	-	-	130,779
Trade and other payables	-	-	1,234,680	-	1,234,680
Total liabilities at amortised cost	-	130,779	1,234,680	-	1,365,459

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)

<i>Financial assets</i>	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade and other receivables	252,167	325,296	165,276	175,752
Estimated irrecoverable amounts	7,135	9,113	5,591	8,280

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

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
As at 1 February	9,113	26,091	8,280	15,290
Provision for receivables impairment	13,009	10,767	4,971	11,367
Receivables written off during year as uncollectible	(14,987)	(27,745)	(7,660)	(18,377)
As at 31 January	7,135	9,113	5,591	8,280

The maximum exposure is the carrying amount as disclosed in note 13 and note 15. The average credit period taken on the sale of goods is 36 days (2013: 41 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 2014 and 31 January 2013 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.

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Up to 3 months overdue	88,590	99,022	70,479	61,031
3 to 6 months overdue	793	8,627	720	6,331
	89,383	107,649	71,199	67,362

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 (2013: £Nil). The Group has no foreign currency exposures at 31 January 2014 or 31 January 2013 so no numerical disclosures have been provided.

3 SEGMENTAL INFORMATION

Segment information is presented below.

	2014		2013	
	Revenue	Profit	Revenue	Profit
	£	£	£	£
<i>Continuing operations</i>				
Events	696,341	314,223	582,623	233,582
SME	572,305	492,345	497,508	387,748
Investment	426,154	284,100	464,392	316,167
Technology	414,890	346,690	520,144	413,443
Segment revenue / profit	<u>2,109,690</u>	<u>1,437,358</u>	<u>2,064,667</u>	<u>1,350,940</u>
Central overheads and salaries		(1,550,960)		(1,659,935)
Depreciation and amortisation		(56,178)		(54,890)
Impairment of intangible assets		-		(130,917)
Finance income		-		41
Finance costs		(7,728)		(7,296)
Loss for the year		<u>(177,508)</u>		<u>(502,058)</u>

Revenue represents sales to external customers. There were no inter-segment sales in the period (2013: 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:

	2014	2013
	£	£
Depreciation of property, plant and equipment		
- owned assets	3,806	6,137
- leased assets	-	293
Amortisation of software and website development costs	52,372	48,460
Operating lease rentals in respect of land and buildings	71,040	71,040
Impairment of intangible assets	-	130,917
Share-based payment	1,975	26,582
Exchange differences	2,133	341
	<u>2,133</u>	<u>341</u>

(b) AUDITOR'S REMUNERATION

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

	2014	2013
	£	£
<i>Audit services</i>		
- Fees payable to Company auditor for the audit of Parent Company and consolidated accounts	24,550	23,300
<i>Other services</i>		
Fees payable to the Company's auditor and its associates for other services:		
- The audit of Company's subsidiaries pursuant to legislation	15,450	15,450
- Corporation Tax Services	3,900	3,900
	<u>3,900</u>	<u>3,900</u>

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

(c) ANALYSIS OF OPERATING EXPENSES BY NATURE

	2014	2013
	£	£
Staff costs (see note 5)	877,021	964,870
Depreciation, amortisation and impairments (see notes 10 & 11)	56,178	185,807
Change in inventory	(3,288)	(1,718)
Magazine costs	177,312	208,408
Events costs	388,397	370,840
Premises costs	168,088	164,683
Marketing expenses	107,561	123,353
Professional fees	124,540	101,755
Other expenses	383,661	441,472
Total cost of sales and administrative expenses	<u>2,279,470</u>	<u>2,559,470</u>

5 STAFF COSTS

	2014 £	2013 £
<i>Staff costs (including Directors)</i>		
- wages and salaries	792,259	849,727
- social security costs	82,787	88,561
- share-based payment	1,975	26,582
	<u>877,021</u>	<u>964,870</u>

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

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 its opinion the most effective way to align them with the interests of shareholders.

	2014 Number	2013 Number
<i>Average monthly number of persons (including Directors and part-time employees) employed by the Group</i>		
Senior management	6	6
Finance and administration	3	3
Editorial / design / events	17	16
Marketing and sales	10	10
	<u>36</u>	<u>35</u>

6

DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate emoluments	223,888	266,393
	<u>223,888</u>	<u>266,393</u>
	2014 £	2013 £
<i>Emoluments for qualifying services</i>		
ESM Williams	23,333	52,500
LJ Copeland (resigned 30 September 2012)	-	53,333
AS Brode	7,500	15,000
N Baker	87,500	75,000
K Willey	5,000	5,000
C Humphrey (resigned 21 March 2012)	-	5,416
J Sumner (appointed 1 May 2012)	85,000	56,250
DJ Smith (appointed 5 July 2012)	15,555	3,894
Directors' remuneration	<u>223,888</u>	<u>266,393</u>
<i>Emoluments waived</i>		
ESM Williams	74,167	45,000
AS Brode	7,500	-
DJ Smith (appointed 5 July 2012)	31,113	-
Emoluments waived	<u>112,780</u>	<u>45,000</u>

No pension payments are made on behalf of any of the Directors.

No share options were exercised in the period (2013: £Nil)

Fees for professional services totalling £9,840 (2013: £9,200) 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 Ltd at 31 January 2014 was £23,080 (2013: £13,200).

6 DIRECTORS' REMUNERATION (continued)

DIRECTORS' INTERESTS IN SHARE OPTIONS

The interests of the Directors in office at 31 January 2014 in share options of the Company are set out in the table below:

	31 January 2013 Number	Granted Number	Lapsed Number	31 January 2014 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	15/02/2014 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
	<u>750,000</u>	<u>200,000</u>	<u>-</u>	<u>950,000</u>		
AS Brode	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	8.0	15/02/2014 to 14/02/2021
K Willey	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	8.0	15/02/2014 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	15/02/2014 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
	<u>390,000</u>	<u>150,000</u>	<u>-</u>	<u>540,000</u>		

7 NET FINANCE COSTS

	2014 £	2013 £
Bank interest receivable	-	41
<i>Less:</i>		
Interest payable on bank loan and overdrafts	6,807	6,376
Other interest payable	921	772
Interest on other borrowings	-	148
	<u>7,728</u>	<u>7,296</u>
Net finance costs	<u>(7,728)</u>	<u>(7,255)</u>

8 TAXATION

	2014 £	2013 £
(a) Current taxation		
UK corporation tax	-	-

Corporation tax is calculated at 23.17% (2013: 24.3%) 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:

	2014 £	2013 £
<i>Factors affecting tax charge for the year:</i>		
Loss before taxation	<u>(177,508)</u>	<u>(502,058)</u>
Loss before tax multiplied by the standard rate of corporation tax in the UK of 23.17% (2013: 24.3%)	(41,129)	(122,151)
<i>Effects of:</i>		
Share-based payments not deductible	1,975	6,467
Other expenses not deductible for tax purposes	-	990
Depreciation in excess of capital allowances	39,154	25,262
Tax losses carried forward	-	89,432
Tax charge for the year	<u>-</u>	<u>-</u>

At the reporting date, the Group has unused tax losses of £5,292,739 (2013: £5,117,757) available for offset against future profits. A net deferred tax asset of £1,059,053 (2013: £1,177,084) in respect of losses not required to be offset against other timing differences has not been recognised in respect of this amount due to the unpredictability of future profit streams.

9 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).

	2014 £	2013 £
Loss attributable to owners of the parent	(177,508)	(502,058)
Weighted average number of ordinary shares in issue	38,076,241	34,903,715
Basic earnings per share (pence per share)	<u>(0.47p)</u>	<u>(1.44p)</u>

(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.

	2014 £	2013 £
Profit attributable to owners of the parent	(177,508)	(502,058)
Weighted average number of ordinary shares in issue	38,076,241	34,903,715
<i>Dilutive effect:</i>		
Share options and convertible loans	-	-
Diluted ordinary shares	<u>38,076,241</u>	<u>34,903,715</u>
Diluted earnings per share (pence per share)	<u>(0.47p)</u>	<u>(1.44p)</u>

10 INTANGIBLE ASSETS

<i>GROUP</i>	<i>Website development costs £</i>	<i>Software £</i>	<i>Publishing rights £</i>	<i>Sub-total £</i>	<i>Goodwill £</i>	<i>Total £</i>
<i>COST</i>						
1 February 2012	305,175	80,074	1,815,813	2,201,062	1,027,999	3,229,061
Additions	47,352	13,744	-	61,096	-	61,096
31 January 2013	352,527	93,818	1,815,813	2,262,158	1,027,999	3,290,157
Additions	28,046	-	-	28,046	-	28,046
31 January 2014	380,573	93,818	1,815,813	2,290,204	1,027,999	3,318,203
<i>AMORTISATION AND IMPAIRMENT</i>						
1 February 2012	246,436	9,199	435,813	691,448	298,667	990,115
Amortisation charge for the year	24,221	24,239	-	48,460	-	48,460
Impairment in the year	-	-	130,917	130,917	-	130,917
31 January 2013	270,657	33,438	566,730	870,825	298,667	1,169,492
Amortisation charge for the year	27,399	24,973	-	52,372	-	52,372
31 January 2014	298,056	58,411	566,730	923,197	298,667	1,221,864
<i>NET BOOK VALUE</i>						
31 January 2014	82,517	35,407	1,249,083	1,367,007	729,332	2,096,339
31 January 2013	81,870	60,380	1,249,083	1,391,333	729,332	2,120,665
1 February 2012	58,739	70,875	1,380,000	1,509,614	729,332	2,238,946

10 INTANGIBLE ASSETS (continued)

COMPANY	Website development costs £	Software £	Publishing rights £	Sub-total £	Goodwill £	Total £
COST						
1 February 2012	223,980	66,274	1,271,808	1,562,062	570,303	2,132,365
Additions	36,062	13,744	-	49,806	-	49,806
31 January 2013	260,042	80,018	1,271,808	1,611,868	570,303	2,182,171
Additions	6,100	-	-	6,100	-	6,100
31 January 2014	266,142	80,018	1,271,808	1,617,968	570,303	2,188,271
AMORTISATION AND IMPAIRMENT						
1 February 2012	175,118	5,767	433,408	614,293	296,474	910,767
Amortisation charge for the year	19,942	19,631	-	39,573	-	39,573
Impairment in the year	-	-	130,917	130,917	-	130,917
31 January 2013	195,060	25,398	564,325	784,783	296,474	1,081,257
Amortisation charge for the year	18,646	20,365	-	39,011	-	39,011
31 January 2014	213,706	45,763	564,325	823,794	296,474	1,120,268
NET BOOK VALUE						
31 January 2014	52,436	34,255	707,483	794,174	273,829	1,068,003
31 January 2013	64,982	54,620	707,483	827,085	273,829	1,100,914
1 February 2012	48,862	60,507	838,400	947,769	273,829	1,221,598

INTANGIBLE ASSETS (continued)

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
<i>Goodwill</i>				
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
	<u>729,332</u>	<u>729,332</u>	<u>273,829</u>	<u>273,829</u>

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
<i>Publishing rights</i>				
What Investment	494,890	494,890	494,891	494,891
Small Business Guide	212,592	212,592	212,592	212,592
Growth Company Investor	11,506	11,506	-	-
The Wrong Price	5,000	5,000	-	-
Information Age	525,095	525,095	-	-
	<u>1,249,083</u>	<u>1,249,083</u>	<u>707,483</u>	<u>707,483</u>

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% (2013: 11%) and growth rates are assumed to be an average of industry expected growth rates, which range from 0% to 40%.

The maximum remaining amortisation period on website development costs is up to five years.

10 INTANGIBLE ASSETS (continued)

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 £1,183,981, 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 by 15% in Year Two and 10% in Years Three to Five, with print revenue to stay the same for the whole period. At the end of Year Two, a new awards ceremony, *Women in IT*, will be launched to capitalise on the in-house expertise. If the growth rate of online revenue in Years Two and Three was 5%, the recoverable amount would drop to £1,108,727.

The estimated recoverable amount for *What Investment* is £631,154, compared to its current carrying value of £494,891. The key assumptions in the cash flow forecasts relate to revenue. The forecasts assume that online revenue growth will be 15% in Year Two and 10% in Years Three to Five. A *What Investment* peer-to-peer award ceremony and two new seminars will be launched in Year Two. 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 £493,205. The prior-year impairment charge of £130,917 has not been reversed due to uncertainty of the recoverable amount.

11 PROPERTY, PLANT AND EQUIPMENT

GROUP	Short leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
COST			
1 February 2012	22,652	241,037	263,689
Additions	-	959	959
Disposals	-	(11,377)	(11,377)
31 January 2013	22,652	230,619	253,271
Additions	-	3,557	3,557
31 January 2014	22,652	234,176	256,828
DEPRECIATION			
1 February 2012	22,652	232,031	254,683
Charge for the year	-	6,430	6,430
Disposals	-	(11,377)	(11,377)
31 January 2013	22,652	227,084	249,736
Charge for the year	-	3,806	3,806
31 January 2014	22,652	230,890	253,542
NET BOOK VALUE			
31 January 2014	-	3,286	3,286
31 January 2013	-	3,535	3,535
1 February 2012	-	9,006	9,006

11 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	<i>Short leasehold improvements</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
COST			
1 February 2012	22,652	202,679	225,331
Additions	-	959	959
Disposals	-	(11,377)	(11,377)
	<hr/>	<hr/>	<hr/>
31 January 2013	22,652	192,261	214,913
Additions	-	2,994	2,994
	<hr/>	<hr/>	<hr/>
31 January 2014	22,652	195,255	217,907
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
1 February 2012	22,652	194,844	217,496
Charge for the year	-	6,292	6,292
Disposals	-	(11,377)	(11,377)
	<hr/>	<hr/>	<hr/>
31 January 2013	22,652	189,759	212,411
Charge for the year	-	3,406	3,406
	<hr/>	<hr/>	<hr/>
31 January 2014	22,652	193,165	215,817
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
31 January 2014	-	2,090	2,090
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 January 2013	-	2,502	2,502
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
1 February 2012	-	7,835	7,835
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12 INVESTMENTS

COMPANY	<i>Subsidiary undertakings</i>
	<i>£</i>
COST	
1 February 2012, 31 January 2013 and 31 January 2014	877,554
AMOUNTS WRITTEN OFF	
1 February 2012, 31 January 2013 and 31 January 2014	-
NET BOOK VALUE	
1 February 2012, 31 January 2013 and 31 January 2014	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:

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

13 TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Current:				
Trade receivables	216,185	290,533	144,137	154,613
Impairment of trade receivables	(7,135)	(9,113)	(5,591)	(8,279)
	<u>209,050</u>	<u>281,420</u>	<u>138,545</u>	<u>146,333</u>
Other receivables	35,982	13,624	21,139	-
Prepayments and accrued income	73,182	37,864	33,295	30,621
	<u>318,214</u>	<u>332,908</u>	<u>192,279</u>	<u>176,954</u>
Non-current:				
Deposits	-	21,139	-	21,139
	<u>-</u>	<u>21,139</u>	<u>-</u>	<u>21,139</u>

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.

14 INVENTORIES

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Raw materials	16,216	19,504	13,776	13,776

The amount of inventories recognised as an expense and charged to cost of sales was £23,793 (2013: £32,072).

15 CASH AND CASH EQUIVALENTS

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

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash and cash equivalents	227,479	-	216,637	-
Bank overdrafts (note 18)	-	(25,527)	-	(33,442)
	227,479	(25,527)	216,637	(33,442)

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

Cash and cash equivalents at 31 January 2014 includes £193,847 (2013: £Nil) of proceeds from the shares issued in the year (see note 16) that is held in a separate 'ring-fenced' bank account for development of the 'crowd-funding platform'.

CALLED-UP SHARE CAPITAL

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Authorised:</i>				
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<i>2014</i>	<i>2014</i>	<i>2013</i>	<i>2013</i>
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
<i>Issued and fully paid ordinary shares of 1p each:</i>				
As at 1 February 2013	37,972,208	379,722	30,603,787	306,038
Shares issued during the year	9,493,052	94,931	7,368,421	73,684
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 January 2014	47,465,260	474,653	37,972,208	379,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Deferred shares of 9p each:</i>				
At 31 January 2013 and 2014	25,603,787	2,304,341	25,603,787	2,304,341
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<i>Share capital</i>	<i>Share premium</i>	<i>Total</i>
		<i>£</i>	<i>£</i>	<i>£</i>
<i>Issued and fully paid:</i>				
As at 1 February 2013		2,684,063	3,095,249	5,779,312
Shares issued during the year		94,931	113,917	208,848
Share issue costs		-	-	-
		<u> </u>	<u> </u>	<u> </u>
As at 31 January 2014		2,778,994	3,209,166	5,988,160
		<u> </u>	<u> </u>	<u> </u>

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 receive the amounts paid up on each share. Any remaining funds will be shared amongst ordinary shareholders.

Shares issued during the year

Shares issued during the year were for a cash injection to support the development of a new SME crowd-funding platform. Shares were issued on 28 January 2014 at a price of 2.2p per share.

In the prior year, shares were issued on 2 July 2012 at a price of 4.75p per share.

16 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	
			2014	2013
31.07.2003	14.50p	31.07.2003 – 30.07.2013	-	5,000
31.07.2003	14.50p	31.07.2006 – 30.07.2013	-	5,000
30.04.2004	32.00p	30.04.2007 – 29.04.2014	-	1,000
28.02.2007	22.50p	28.02.2007 – 28.02.2017	120,000	120,000
05.08.2010	9.00p	05.08.2010 – 04.08.2020	227,060	227,060
05.08.2010	9.00p	28.02.2011 – 04.08.2020	125,000	125,000
05.08.2010	9.00p	22.06.2012 – 04.08.2020	257,143	257,143
15.02.2011	8.00p	15.02.2014 – 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	-
			1,979,203	1,640,203

17 EQUITY-SETTLED SHARE OPTION SCHEMES

For details of share option schemes in place during the year, see note 16.

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

	2014		2013	
	Number	WAEP (pence)	Number	WAEP (pence)
Outstanding at the beginning of the year	1,640,203	8.5p	2,248,394	9.8p
Granted during the year	350,000	2.3p	400,000	4.0p
Lapsed during the year	(10,000)	14.5p	(5,000)	14.0p
Forfeited during the year	(1,000)	32.0p	(1,003,191)	9.6p
Outstanding at the end of the year	1,979,203	7.4p	1,640,203	8.5p
Exercisable at the end of the year	729,203	11.2p	740,203	11.3p

The market price of the Company's shares on 31 January 2014 was 2.75p (2013: 2.125p).

17 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:

	2014	2013
Weighted average share price (pence)	2.25	3.75
Exercise price (pence)	2.25	4.0
Expected volatility (%)	30.2	30.0
Expected life (years)	4	4
Risk-free rate (%)	2.18	1.54
Dividend yield (%)	-	-
Vesting condition (%)	-	-

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

The weighted average remaining contractual life is 7.2 years (2013: 7.8 years).

The charge for the year for options granted during the year was £1,975 (2013: £9,850), which is included in administrative expenses. Fair value of the options granted during the year was £2,137 (2013: £3,512).

Options granted have a vesting period of 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.

18 BORROWINGS

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£	£	£	£
<i>Current:</i>				
Bank overdraft	-	25,527	-	33,442
Bank loan	27,666	-	27,666	-
Invoice discounting facilities	160,665	168,768	114,015	97,337
	<u>188,331</u>	<u>194,295</u>	<u>141,681</u>	<u>130,779</u>
<i>Non-current:</i>				
Convertible loan	30,000	-	30,000	-
Long-term loan	80,000	-	80,000	-
	<u>110,000</u>	<u>-</u>	<u>110,000</u>	<u>-</u>

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

BORROWINGS (continued)

The weighted average interest rates paid were as follows:

	2014	2013
	%	%
Bank overdrafts	-	4.00
Invoice discounting facilities	2.43	2.67
Bank loan	4.00	-
Convertible loan	6.50	-
Long-term loan	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) The bank overdrafts were repayable on demand. Overdrafts were secured by a debenture over the Group's assets. The average effective interest rate on bank overdrafts approximated to 4% (2013: 4%) per annum and was determined based on 3.5% plus Lloyds TSB Plc bank base rate. During the year, the bank overdraft was replaced by a bank loan.
- (ii) Invoice discounting facility advances are secured by a debenture over trade receivables. The net book value is disclosed in note 13. The average effective interest rate approximates to 2.43% per annum and is determined based on 1.4% to 3.5% above bank base rates.
- (iii) Bank loan is a short-term loan repayable by instalments by the end of August 2014. The average effective interest rate approximates to 4% per annum.
- (iv) A convertible Directors' loan that has a fixed interest rate of 6.5% and is secured against the Company's assets. It is due for repayment by the end of September 2016 and with an option to be converted at any time (part or all) after 29 September 2014 into ordinary shares in Vitesse Media Plc at a price of 2p per share.
- (v) The long-term loan is a debenture loan that has a fixed interest rate of 7%. It is due for repayment in February 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.

19 TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£	£	£	£
<i>Current:</i>				
Trade payables	345,807	318,817	232,509	273,641
Taxation and social security	109,186	83,818	51,816	50,017
Other payables	30,719	25,050	8,619	2,697
Accruals	163,994	167,247	112,401	116,621
Deferred income	165,877	194,219	63,782	63,794
	<u>815,583</u>	<u>789,151</u>	<u>469,127</u>	<u>506,770</u>
<i>Non-current:</i>				
Amounts owed to subsidiary undertakings	-	-	1,107,199	841,721
	<u>-</u>	<u>-</u>	<u>1,107,199</u>	<u>841,721</u>

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.

20 NOTES TO THE CASH FLOW STATEMENT

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£	£	£	£
Loss before tax	(177,508)	(502,058)	(381,360)	(758,459)
<i>Adjustments for:</i>				
Finance income	-	(41)	-	(41)
Finance costs	7,728	7,296	5,389	4,518
Amortisation	52,372	48,460	39,011	39,573
Depreciation of property, plant and equipment	3,806	6,430	3,406	6,292
Goodwill impairment	-	130,917	-	-
Share-based payment charge	1,975	26,582	1,975	26,582
Operating cash flows before movements in working capital	<u>(111,627)</u>	<u>(282,413)</u>	<u>(331,579)</u>	<u>(550,618)</u>
Decrease in inventories	3,288	1,719	-	2,782
Decrease in receivables	35,833	287,414	5,114	88,739
Increase/(decrease) in payables	26,432	(151,261)	(37,643)	24,266
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(46,074)</u>	<u>(144,541)</u>	<u>(364,108)</u>	<u>(434,831)</u>

21

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

GROUP	At 1 Feb 2013 £	Cash flow £	At 31 Jan 2014 £
Cash in hand and at bank	-	227,479	227,479
Overdrafts	(25,527)	25,527	-
	<u>(25,527)</u>	<u>253,006</u>	<u>227,479</u>
COMPANY	At 1 Feb 2013 £	Cash flow £	At 31 Jan 2014 £
Cash in hand and at bank	-	216,637	216,637
Overdrafts	(33,442)	33,442	-
	<u>(33,442)</u>	<u>250,079</u>	<u>216,637</u>

22

OPERATING LEASE COMMITMENTS

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

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
<i>Land and buildings:</i>				
Less than one year	54,691	81,968	54,691	81,968
Between one and two years	-	42,456	-	42,456
	<u>54,691</u>	<u>124,424</u>	<u>54,691</u>	<u>124,424</u>

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

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
<i>Operating leases that expire on plant and machinery:</i>				
Between two and five years	1,996	1,996	-	-
	<u>1,996</u>	<u>1,996</u>	<u>-</u>	<u>-</u>

23 **RELATED PARTY TRANSACTIONS**

GROUP

ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

KEY MANAGEMENT COMPENSATION

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

	2014	2013
	£	£
Directors' remuneration	223,888	266,392
Share-based payments	1,975	7,168
Social security costs	24,446	30,790
Total	<u>250,309</u>	<u>304,350</u>

RELATED PARTY TRANSACTIONS

During the year ending 31 January 2014, the related party transactions were concerning inter-company loans and other transactions with Directors which are disclosed in notes 6 and 18. In the prior year (2013), Peter Williams, spouse of Sara Williams (Chairman), was a consultant in the year and received £6,000. In the current year there were no such transactions.

COMPANY

TRANSACTIONS WITH SUBSIDIARIES

The only transactions with subsidiary companies during the year ending 31 January 2014 and 31 January 2013 related to inter-company loan payments and receipts.

	2014	2013
	£	£
<i>Loans due to subsidiary companies:</i>		
Growth Company Investor Ltd	(450,821)	(336,908)
Information Age Media Ltd	(656,378)	(504,813)
Total	<u>(1,107,199)</u>	<u>(841,721)</u>

24 **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 2014 totalled £26,655 (2013: £14,616).



V I T E S S E M E D I A

Annual Report & Accounts
2014

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