



VITESSE MEDIA

Annual Report & Accounts

2011

Company directors and advisers

Directors

Sara Williams, Executive Chairman
Leslie Koht Copeland, Chief Executive Officer
Niki Baker, Chief Operating Officer
Andrew Brode, Non-Executive Director
Keith Willey, Non-Executive Director

Secretary and registered office

TMF Corporate Administration Services Ltd, Pellipar House, 1st Floor, 9 Cloak Lane, London EC4R 2RU

Company number

02607995

Registrars

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

Bankers

Lloyds TSB Plc, 7 South Side, London SW4 7AD

Solicitors

Mayer Brown Rowe & Maw, 11 Pilgrim Street, London EC4V 6RW

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



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.



LESLIE KOHT COPELAND, Chief Executive Officer

Leslie has worked in the media sector for over 12 years in an array of roles, including journalist, analyst, editor and executive director. He joined Vitesse in 1997 as a journalist on *Growth Company Investor*, ascending to the role of editorial director of Vitesse Media Plc by 2000, with responsibility for the delivery of Vitesse's products across all platforms – online, events and print. He was appointed to the role of chief executive officer in July 2009.



NIKI BAKER, Chief Operating Officer

Niki joined Vitesse Media in 2006 as head of the Group's expanding events division and is chief operating officer (appointed July 2009). Prior to joining Vitesse Media, she worked her way up to group show director for DMG World Media on events such as the Daily Mail Ski and Snowboard Show and the Daily Mail Ideal Home Show, visited by half a million people.



KEITH WILLEY, Non-Executive Director

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



ANDREW BRODE, Non-Executive Director

Andrew, a chartered accountant, is a former 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.

Key members of the management team

CATHY HUMPHREY, Financial Controller

Cathy is a qualified chartered management accountant. Her previous experience includes ten years as the finance director of a leading specialist recruitment agency and two years as the finance director of a contract caterer. For three years she worked as the financial controller of Information Age Media Ltd. She took over the post of group financial controller in March 2008.



JONATHAN SUMNER, Head of Business

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.



BEN BROUGHAM, Head of Investment

Ben is head of Vitesse Media's investment division. He has over 14 years' experience in the global publishing and events industries. Before joining Vitesse Media in February 2007 he worked as business development manager at Caspian Publishing and as group publisher at Euromoney Institutional Investor.



MICHAEL BEECH, Commercial Director, Information Age

Michael joined *Information Age* in June 2007 as commercial manager to lead the sales and commercial aspects of the *Information Age* portfolio. His responsibilities are to lead the sales team to generate revenues online, offline and through the *Information Age* events programme. Michael started his career in media sales in 1995, and over the years has worked and sold in b2b, consumer and international markets.



JOE MCGRATH, Editorial Director

Joe joined Vitesse Media in November 2009 from the Financial Times Group. His writing credits include the *Financial Times*, *The Independent*, *The Scotsman* and *The Times*. He has also written for a variety of professional publications including *Investors Chronicle*, *Money Management*, *Financial Adviser* and *New Media Age*. Joe is a graduate of the National Council for the Training of Journalists (NCTJ) programme and completed his undergraduate degree at Southampton Solent University.



DARREN GRIFFIN, Publisher, Investment

Darren is sales manager for the company's investment products. This includes the award-winning *Growth Company Investor* and *What Investment* magazines. Prior to joining Vitesse, Darren worked for the Daily Mail Group and Charterhouse Communications.





MILES NOLAN, Editor, Growth Company Investor

Miles recently joined *Growth Company Investor* as editor. He has previously held the post of smaller companies editor at the *Investors Chronicle* and has worked as an analyst and fund manager. Miles is a past winner in the Best Research category at the AIM Awards.



PETE SWABEY, Editor, Information Age

Pete is editor of *Information Age* magazine and www.Information-Age.com. He has held the role since July 2009, having worked on the title for more than five years. In that time he has written about and researched almost every aspect of business IT, from virtualisation and software as a service to ITIL and outsourcing, as well as interviewing many of the industry's leading lights. Pete has a degree in psychology from University College London.



ROBERT TYERMAN, News Editor, Growth Company Investor

Robert specialises in mining and insurance stocks. He is the former assistant City editor of *The Sunday Telegraph* and has been researching small-cap companies for 30 years.



SAMANTHA COLES, Senior Marketing Executive, Investment

Samantha is responsible for planning and monitoring all marketing activity for the investment division. Her main role is to generate new subscriptions for *What Investment* and *Growth Company Investor*, and attract delegates to Vitesse Media's investment events. Samantha has been with Vitesse Media since May 2010.



JENNA PARKER, Events Manager

Jenna's introduction to the media world was working for a marketing company when travelling in Australia. She joined Vitesse Media in July 2006 as an events and marketing assistant and she now manages the events department, covering the operations for all Vitesse Media events.



NEILL PURVIS, Head of Design and Production

Neill originally trained at commercial typesetting group Progress Graphics, gaining the City and Guilds in pre-printing processes. After this, he worked for publishing group Gee Publishing and Lloyd's Register of Shipping. Neill has been with Vitesse Media for more than ten years.

Chairman's report

HIGHLIGHTS FOR THE YEAR ENDING 31 JANUARY 2011

- Pre-tax profit* trebled for 2010/11 to £151,071 against 2009/10 pre-tax profit* of £49,258.
- Big leap in gross profit margin to 71.8% (2009/10 66.5%)
- Further reductions in overhead costs of around 6%
- Revenues for the two websites SmallBusiness and GrowthBusiness increased by 14% over the previous year

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.

	2011	2010
Revenue	£3,313,036	£3,635,148
Gross profit percentage	71.8%	66.5%
Profit before tax*	£151,071	£49,258

PERFORMANCE DURING THE FINANCIAL YEAR 2010/11

We are delighted with the continued improvements in profitability, particularly the rise in gross profit margin. While we have continued to negotiate hard on costs, the single biggest contributory factor leading to the improvement in margins continues to be the revenue switch to digital from print. These revenues tend to be lower but deliver a higher profitability.

Our online revenues continued to deliver a strong performance during the year, with our two major business websites, SmallBusiness and GrowthBusiness, showing an average growth of 14% in revenues, with increases in organic traffic (that is traffic not generated by advertising on search engines) outstripping that improvement, meaning that these sites delivered bigger contributions to the overall group. Towards the end of the financial year, we relaunched new versions of two of our sites, TaxGuide and WhatInvestment.

As expected, the print titles continued to experience a difficult trading background, with *Information Age* the most affected, a downturn in revenues for the magazine beginning in the second quarter of 2010. Conversely, print advertising revenues for *What Investment* stabilised during the year. However, the process of switching from print to digital copies for all the titles began during this last financial year, with *Information Age* leading the way, so that by the end of the year around 20% of the circulation was delivered digitally. It is anticipated that by the end of the current financial year the proportion of digital delivery will be 60% for *Information Age* and *Business XL*.

Some competing titles have closed and, unlike some remaining competitors, our magazines have maintained their audited circulation with ABC. This bolsters both the brands and competitive market positions with agencies.

Our events all remained profitable during the period, although some suffered small declines in revenues, mainly because of lower table sales. However, towards the end of the financial year this began to ease. During the current financial year, we expect to see increases in both table sales and sponsorships.

UPDATE FOR THE FIRST QUARTER

The current year started extremely well, with both February and March delivering strong performances across the board, including small like-for-like increases in revenues and above-budget profits. April, as anticipated, was poor due to the high number of bank holidays during the month.

Forward bookings are healthy and the management team expects to recoup some of the lost April revenue. It is anticipated that for the six months to 31 July 2011 profits are likely to be in line with the Board's expectation.

OUTLOOK FOR THE YEAR AHEAD

We expect that the business will show further improvements in profitability, although the extent of these will depend on whether confidence and growth return to the economy.

The switch to digital from print will continue, if not accelerate, such that at the end of the financial year we expect that we will report our income segments as Business and Investment, dropping the segmental information on Print, Online and Events as it is no longer relevant to the management of the business.

Further investments will be made in our database, our digital offerings (both existing and new) and our Research activities during the year, funded out of cash flow.

The Directors remain confident that the business is being reshaped in the medium term with the intention of becoming a high-quality digital, data, events and research market leader, serving two very high-net-worth communities – business decision-makers and investors, both professional and private. We expect this transformation increasingly to be reflected in our results and are working to achieve this for the benefit of all shareholders.

ESM Williams
Chairman

*Pre-share option expense figures

Business review

There are two teams managing the group activities, which are split according to the markets we serve: the first is business decision-makers (Business) and the second is professional/private investors and the advisory community (Investment/Advisory). Revenue streams within these two groups consist of advertising, sponsorship, business development services and research. Business also derives revenue from event management and Investment/Advisory from subscriptions and table sales at our events.

BUSINESS

Our Business brands include www.SmallBusiness.co.uk, www.GrowthBusiness.co.uk, *Business XL*, www.TaxGuide.co.uk, *Information Age* (including events), www.Information-Age.com and www.MandAdeals.co.uk.

During the year under review, Business contributed 65% of the group's revenues, and fell around 5% compared with the previous financial year of 2009/10. However, the gross margin on these activities rose from 68% to 75%.

Themes during the year included:

- Growth in digital revenues and a switch from print
- Greater interest from customers in our business development and business targeting services.

The two large Business websites, www.SmallBusiness.co.uk and www.GrowthBusiness.co.uk, showed an average increase in revenues of 14%, along with strong organic growth in traffic, which meant that the contribution from these sites increased by more than 18%.

There was greater interest among customers for data analysis, such as targeting customers, and also research-based work, thus expanding digital revenues away from pure advertising.

The financial year 2010/11 saw a continued downward trend in print advertising, the most affected product being *Information Age*. That trend continued in the first quarter of 2011/12, but, based on current trading, we expect this to be reversed for the remainder of the year.

During the year and the first quarter of 2011/12, one competitor of *Business XL* ceased publication and a second is to be published quarterly rather than monthly. A competitor of *Information Age* dropped its circulation audit. This leaves *Business XL* as the market leader and strengthens *Information Age* in its premier position.

For the past six months the board has been carrying out a major review of strategy for the whole group with a view to establishing three- and five-year plans. If fully achieved, these would deliver substantial and growing profitability for the 2013/14 financial year. While the review is not yet complete, decisions have already been made in relation to our magazines.

We have experimented with offering enhanced digital versions of our business titles and we have found significant acceptability among readers, which bodes well for the future of these titles in terms of the mix of media platforms we can offer advertisers, profit margin enhancement and our ability to grow revenues.

Similarly, it is our intention to expand the digital and mobile platforms served by our core business websites.

Lastly, during the year in question, www.TaxGuide.co.uk was relaunched, with a target market of 100,000 users and utilising our high-quality tax content. While starting at a very low base, the growth in users is very satisfying.

INVESTMENT/ADVISORY

Our Investment brands include *Growth Company Investor* (online www.GrowthCompany.co.uk), *What Investment* (online www.WhatInvestment.co.uk) and exploitation of the AIM databases built through *The AIM Guide*. For operational reasons, the Investment team is also responsible for the sale and marketing of all Vitesse-owned events as well as the M&A pages within *Business XL*.

Revenues attached to *Growth Company Investor*, *What Investment* and the AIM database accounted for 35% of the group's total, and fell around 15% compared with the previous year. The gross margin on these activities rose to 67%, compared with 64% the previous year.

Themes during the year included:

- Stabilisation of advertising revenues for *What Investment*
- An uneven performance in subscriptions for both brands
- A fall in attendance at events – however, this is being reversed so far during the current financial year.

During the year under review, a new version of www.WhatInvestment.co.uk was launched, providing a much broader range of content.

The team successfully ran a number of events during the year, particularly The New Energy Awards, The Quoted Company Awards and Investor AllStars. Revenues for The M&A Awards are expected to show an increase during the current financial year.

While revenues for all the *Growth Company Investor* activities are expected to make a small improvement in the current financial year, a full recovery will not occur until there is a more significant improvement in confidence for small-cap companies.

As with the Business division, the next six months will see the team launch versions of the Investment division's products for tablet computers, e-readers and smartphone devices.

Directors' report

The Directors submit their report and the audited financial statements of Vitesse Media Plc for the year ended 31 January 2011.

PRINCIPAL ACTIVITIES

The Company is a business-to-business publisher listed on AIM. The principal activities of the Company and the Group are online, print publishing, research and events, specialising in growing businesses. The Company provides a network for CEOs and other directors, their investors, advisers and suppliers.

The Group conducts this business through the parent and its subsidiaries: Growth Company Investor Ltd and Information Age Media Ltd.

BUSINESS REVIEW

A review of the development of the business during the year is given in the Chairman's Report on pages 7 and 8.

FUTURE DEVELOPMENTS

A review of the future developments of the business is given in the Chairman's Report on pages 7 and 8.

BUSINESS RISKS

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.

FINANCIAL RISKS

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

RESULTS AND DIVIDENDS

The results for the year are set out on page 17.

The Directors do not recommend the payment of a dividend.

RESEARCH AND DEVELOPMENT

The Group has a policy to actively develop new technologies and capabilities to maintain and enhance the Group's brands and grow its digital business.

KEY PERFORMANCE INDICATORS

Key performance indicators are discussed in the Chairman's Report on pages 7 and 8.

GOING CONCERN

Throughout the financial year 2010/11, and every month since the end of the financial year, the Directors review detailed forecasts of sales, costs and cash flows, typically projecting forwards 12 months ahead or more. The assumptions underlying the budget are challenged, varied and tested to establish the likelihood of certain 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 also considered the Group's available financing facilities against the expected reduced need for such facilities during the coming 12 months. In particular, they have noted that the need for such facilities has declined during the period under review and that the internal cash generation has increased considerably. They have concluded that the financing facilities available to the Group are adequate and, on this basis, the Directors are satisfied that the financial statements should be prepared on a going concern basis.

DIRECTORS

The following Directors have held office since 1 February 2010:

ESM Williams	
LJ Copeland	
N Baker	
AS Brode	(Non-executive)
K Willey	(Non-executive)
PRT Williams (resigned 10 May 2010)	(Non-executive)

Directors' Shareholdings	As at 31 January 2011		As at 31 January 2010	
	Ordinary shares of 1p each	Deferred shares of 9p each	Ordinary shares of 1p each	Deferred shares of 9p each
	Number	Number	Number (restated)	Number (restated)
ESM & PRT Williams	9,994,411	8,361,541	8,361,541	8,361,541
A Brode	916,149	759,938	759,938	759,938
LJ Copeland	11,542	11,542	11,542	11,542

See note 16 for further details of the restatement in the comparative share disclosure.

SIGNIFICANT SHAREHOLDERS

On 13 May 2011 the Company was aware of the following interests in the ordinary share capital of the Company of greater than 3%.

	Number	%
ESM & PRT Williams	9,994,411	32.66
Artemis Investment Management	4,538,206	14.83
C Ingram	2,886,306	9.43
A Morton	2,559,781	8.36
Unicorn Asset Management	1,600,236	5.23
Octopus Investments	1,080,314	3.52
Brewin Dolphin Securities	1,036,953	3.39
C Hall	1,012,985	3.31

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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political or charitable donations during the year (2010: £Nil).

CORPORATE GOVERNANCE

Although the Combined Code on Corporate Governance applies only to companies with a full listing on the London Stock Exchange, it is considered appropriate by the Directors that the group complies with its principles where possible given its size and stage of development. 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 also 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
- obtaining written confirmation from the auditor that, in its professional judgement, it is independent.

POLICY ON PAYMENT OF CREDITORS

It is the Group's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. Group trade payable days based on trade payables at 31 January 2011 were 58 days (2010: 82 days). Company trade payable days were 68 days (2010: 86 days).

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.

Signed on behalf of the board on 10 June 2011,

ESM Williams
Director

Directors' responsibilities in the preparation of financial statements

The directors are responsible for preparing 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') which comprise the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes. 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 auditors

As more fully explained in the Directors' Responsibilities Statement set out 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 January 2011 and of the Group's profit 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
- the financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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 WHITE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

10 June 2011

Consolidated statement of comprehensive income

for the year ended 31 January 2011

	<i>Notes</i>	<i>2011</i> £	<i>2010</i> £
Revenue	3	3,313,036	3,635,148
Cost of sales	4	(934,532)	(1,216,603)
Gross profit	3	<u>2,378,504</u>	<u>2,418,545</u>
Administrative expenses	4	(2,216,127)	(2,336,900)
Share-based payments	5	(71,134)	(12,552)
Operating profit	4	<u>91,243</u>	<u>69,093</u>
Finance costs	7	(11,310)	(33,870)
Finance income	7	4	1,483
Profit before tax		<u>79,937</u>	<u>36,706</u>
Tax expense	8	-	-
Profit for the year attributable to owners of the parent		<u>79,937</u>	<u>36,706</u>
Total comprehensive income for the year attributable to owners of the parent		<u>79,937</u>	<u>36,706</u>
Earnings per share:			
Basic	9	0.27p	0.14p
Diluted	9	0.27p	0.14p

The notes on pages 24 to 58 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 £293,630 (2010: loss of £398,218).

All activities of the Group are classed as continuing.

Statement of changes in equity

for the year ended 31 January 2011

GROUP	Share capital £	Share premium £	Share-based payment reserve £	Other reserves £	Retained earnings £	Total £
ATTRIBUTABLE TO OWNERS OF PARENT						
As at 1 February 2009	2,560,379	2,427,617	73,461	103,904	(3,688,231)	1,477,130
Profit for the year	-	-	-	-	36,706	36,706
Total comprehensive income for the year	-	-	-	-	36,706	36,706
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Recognition of share-based payments	-	-	12,552	-	-	12,552
As at 31 January 2010	2,560,379	2,427,617	86,013	103,904	(3,651,525)	1,526,388
Profit for the year	-	-	-	-	79,937	79,937
Total comprehensive income for the year	-	-	-	-	79,937	79,937
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	50,000	425,000	-	-	-	475,000
Issue costs	-	(21,094)	-	-	-	(21,094)
Total transactions with owners in their capacity as owners	50,000	403,906	-	-	-	453,906
Recognition of share-based payments	-	-	71,134	-	-	71,134
Share options lapsed	-	-	(14,103)	-	14,103	-
As at 31 January 2011	2,610,379	2,831,523	143,044	103,904	(3,557,485)	2,131,365

COMPANY	Share capital £	Share premium £	Share-based payment reserve £	Other reserves £	Retained earnings £	Total £
As at 1 February 2009	2,560,379	2,427,617	73,461	103,904	(3,540,180)	1,625,181
Hive-up of subsidiary company	-	-	-	-	425,539	425,539
Loss for the year	-	-	-	-	(398,218)	(398,218)
Total comprehensive income for the year	-	-	-	-	27,321	27,321
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Recognition of share-based payments	-	-	12,552	-	-	12,552
As at 31 January 2010	2,560,379	2,427,617	86,013	103,904	(3,512,859)	1,665,054
Loss for the year	-	-	-	-	(293,630)	(293,630)
Total comprehensive income for the year	-	-	-	-	(293,630)	(293,630)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	50,000	425,000	-	-	-	475,000
Issue costs	-	(21,094)	-	-	-	(21,094)
Total transactions with owners in their capacity as owners	50,000	403,906	-	-	-	453,906
Recognition of share-based payments	-	-	71,134	-	-	71,134
Share options lapsed	-	-	(14,103)	-	14,103	-
As at 31 January 2011	2,610,379	2,831,523	143,044	103,904	(3,792,386)	1,896,464

Consolidated statement of financial position

at 31 January 2011

	Notes	2011 £	2010 £
NON-CURRENT ASSETS			
Goodwill	10	1,025,806	1,025,806
Other intangible assets	10	1,448,451	1,467,806
Property, plant and equipment	11	40,272	87,685
Trade and other receivables	13	21,139	21,139
		<u>2,535,668</u>	<u>2,602,436</u>
CURRENT ASSETS			
Inventories	14	26,216	18,992
Trade and other receivables	13	803,930	679,927
Cash and cash equivalents	15	67,064	-
		<u>897,210</u>	<u>698,919</u>
TOTAL ASSETS		<u>3,432,878</u>	<u>3,301,355</u>
EQUITY			
Share capital	16	2,610,379	2,560,379
Share premium account	16	2,831,523	2,427,617
Share option reserve	17	143,044	86,013
Other reserves		103,904	103,904
Retained earnings		(3,557,485)	(3,651,525)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>2,131,365</u>	<u>1,526,388</u>
NON-CURRENT LIABILITIES			
Obligations under finance leases	19	-	3,948
		<u>-</u>	<u>3,948</u>
CURRENT LIABILITIES			
Trade and other payables	20	977,177	1,237,028
Borrowings	18	320,388	523,814
Obligations under finance leases	19	3,948	10,177
		<u>1,301,513</u>	<u>1,771,019</u>
TOTAL LIABILITIES		<u>1,301,513</u>	<u>1,774,967</u>
TOTAL EQUITY AND LIABILITIES		<u>3,432,878</u>	<u>3,301,355</u>

The financial statements on pages 17 to 58 were approved by the Board of Directors and authorised for issue on 10 June 2011.

They were signed on its behalf on 10 June 2011 by: *ESM Williams,*
Director

Company statement of financial position

at 31 January 2011

	Notes	2011 £	2010 £
NON-CURRENT ASSETS			
Goodwill	10	570,303	570,303
Other intangible assets	10	893,983	894,109
Property, plant and equipment	11	38,722	84,583
Investment in subsidiaries	12	877,554	877,554
Trade and other receivables	13	21,139	21,139
		<u>2,401,701</u>	<u>2,447,688</u>
CURRENT ASSETS			
Inventories	14	18,637	15,259
Trade and other receivables	13	372,193	280,014
Cash and cash equivalents	15	12,991	-
		<u>403,821</u>	<u>295,273</u>
TOTAL ASSETS		<u><u>2,805,522</u></u>	<u><u>2,742,961</u></u>
EQUITY			
Share capital	16	2,610,379	2,560,379
Share premium account	16	2,831,523	2,427,617
Share option reserve	17	143,044	86,013
Other reserves		103,904	103,904
Retained earnings		(3,792,386)	(3,512,859)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>1,896,464</u>	<u>1,665,054</u>
NON-CURRENT LIABILITIES			
Trade and other payables	20	217,660	154,611
Obligations under finance leases	19	-	3,948
		<u>217,660</u>	<u>158,559</u>
CURRENT LIABILITIES			
Trade and other payables	20	466,968	582,675
Borrowings	18	220,482	326,496
Obligations under finance leases	19	3,948	10,177
		<u>691,398</u>	<u>919,348</u>
TOTAL LIABILITIES		<u>909,058</u>	<u>1,077,907</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,805,522</u></u>	<u><u>2,742,961</u></u>

The financial statements on pages 17 to 58 were approved by the board of Directors and authorised for issue on 10 June 2011.

They were signed on its behalf on 10 June 2011 by: *ESM Williams*
Director

Consolidated statement of cash flows

for the year ended 31 January 2011

	Notes	2011 £	2010 £
CASH FLOWS FROM OPERATING ACTIVITIES	22	(129,127)	(79,570)
Interest received		4	1,483
Interest paid		(11,310)	(33,870)
NET CASH USED IN OPERATING ACTIVITIES		(140,433)	(111,957)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(11,766)	-
Purchases of intangible assets		(21,040)	(5,000)
NET CASH USED IN INVESTING ACTIVITIES		(32,806)	(5,000)
FINANCING ACTIVITIES			
Proceeds from issue of share capital		475,000	-
Share issue costs		(21,094)	-
Repayment of obligations under finance leases		(10,177)	(28,737)
(Repayment of)/proceeds from short-term borrowings		(170,000)	170,000
(Repayment)/drawdown on invoice discounting facility		(1,548)	5,312
NET CASH GENERATED FROM FINANCING ACTIVITIES		272,181	146,575
NET INCREASE IN CASH AND CASH EQUIVALENTS	23	98,942	29,618
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15	(31,878)	(61,496)
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	67,064	(31,878)

Company statement of cash flows

for the year ended 31 January 2011

	Notes	2011 £	2010 £
CASH FLOWS FROM OPERATING ACTIVITIES	22	(348,441)	(419,568)
Interest received		1	923
Interest paid		(6,527)	(25,663)
NET CASH USED IN OPERATING ACTIVITIES		(354,967)	(444,308)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(11,766)	(17,989)
Purchases of intangible assets		(21,040)	-
Loans from subsidiaries		63,049	322,264
NET CASH GENERATED FROM INVESTING ACTIVITIES		30,243	304,275
FINANCING ACTIVITIES			
Proceeds from issue of share capital		475,000	-
Share issue costs		(21,094)	-
Drawdown/(repayment) on invoice discounting facility		74,222	(38,586)
Repayment of obligations under finance leases		(10,177)	(7,915)
(Repayment of)/proceeds from short-term borrowings		(170,000)	170,000
NET CASH GENERATED FROM FINANCING ACTIVITIES		347,951	123,499
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	23	23,227	(16,534)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15	(10,236)	6,298
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	12,991	(10,236)

Notes to the financial statements

for the year ended 31 January 2011

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 registered address is Pellipar House, 1st Floor, 9 Cloak Lane, London EC4R 2RU, United Kingdom.

The consolidated financial statements represent the year to 31 January 2011 and comprise the financial statements of the Company and its subsidiaries ('Group'). The comparative period represents the year to 31 January 2010. The Group's principal activities are online, print publishing and events, specialising in growing businesses.

SIGNIFICANT ACCOUNTING POLICIES

1

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.

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.

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.

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.

Going concern

The directors' process for monitoring forecasts and cash flows on an ongoing basis is set out on page 26.

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SIGNIFICANT ACCOUNTING POLICIES cont.

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.

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.

ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

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 2011 or later periods, but they have not been early adopted by the Group:

- IFRS 3 Business Combination (improvement effective 1 July 2010)
- IFRS 9 Financial Instruments (effective 1 January 2013)
- IFRS 7 Financial Instruments Disclosures (improvement effective 1 January 2011 and amendment effective 1 July 2011)
- IAS 1 Presentation of Financial Statements (improvement effective 1 January 2011)
- IAS12 Income Taxes (amendment effective 1 January 2012)
- IAS 24 Related Party Transactions (revised) (effective 1 January 2011)
- IAS 27 Consolidated and Separate Financial Statements (improvement effective 1 July 2010)
- IAS 34 Interim Financial Reporting (improvement effective 1 January 2011)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- IFRIC 13 Customer Loyalty Programme (improvement effective 1 January 2011)
- IFRIC 14 Amendment – Prepayments of a Minimum Funding Requirement (effective 1 January 2011)
- IFRS 1 First-time adoption of International Financial Reporting Standards (amendments effective 1 July 2010 and 1 January 2011)
- IFRS 10 Consolidated financial statements (effective 1 January 2013)
- IFRS 11 Joint arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of interests in other entities (effective 1 January 2013)
- IFRS 13 Fair value measurement (effective 1 January 2013)

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.



SIGNIFICANT ACCOUNTING POLICIES *cont.*

GOING CONCERN

Throughout the financial year 2010/11, and every month since the end of the financial year, the Directors reviewed detailed forecasts of sales, costs and cash flows, typically projecting forwards 12 months ahead or more. The assumptions underlying the budget are challenged, varied and tested to establish the likelihood of certain 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 also considered the Group's available financing facilities against the expected reduced need for such facilities during the coming 12 months. In particular, they have noted that the need for such facilities has declined during the period under review and that the internal cash generation has increased considerably. They have concluded that the financing facilities available to the Group are adequate and, on this basis, the Directors are satisfied that the financial statements should be prepared on a going concern basis.

CONSOLIDATION

The Group's financial statements include the results and financial position of the Company and all of its subsidiaries. The results of the subsidiaries acquired during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition.

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.

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.

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SIGNIFICANT ACCOUNTING POLICIES cont.

SHARE-BASED PAYMENT

The Group has applied the requirements of IFRS 2 Share-Based Payment. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 February 2006.

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.

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

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



SIGNIFICANT ACCOUNTING POLICIES *cont.*

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 the 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.

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.



SIGNIFICANT ACCOUNTING POLICIES cont.

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. It will be credited to revenue within one year.

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.

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.

1 *SIGNIFICANT ACCOUNTING POLICIES cont.*

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.

RESTATEMENT

In the prior year the ordinary shares of 10p each were subdivided into ordinary shares of 1p each and deferred shares of 9p each. This reclassification of shares was not disclosed in the financial statements in the prior year. The restatement has no impact on the value of equity held on the balance sheet or on reported earnings per share. Further details can be found in note 16.

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FINANCIAL RISK MANAGEMENT

As well as short-term trade receivables, accrued income, trade payables and accruals, as detailed in notes that arise directly from operations, the Group's financial instruments comprise cash, bank overdraft, bank borrowings and lease 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 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 finance leases.

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 2011</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	320,388	-	-	320,388
Finance leases	3,021	927	-	3,948
Trade and other payables	537,050	-	-	537,050
Total liabilities	860,459	927	-	861,386
COMPANY				
Bank and invoice discounting loans	220,482	-	-	220,482
Hire purchase & finance leases	3,021	927	-	3,948
Trade and other payables	312,966	-	217,660	530,626
Total liabilities	536,469	927	217,660	755,056



FINANCIAL RISK MANAGEMENT *cont.*

<i>Maturity analysis at 31 January 2010</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				
Overdrafts	31,878	-	-	31,878
Bank and invoice discounting loans	321,936	-	-	321,936
Interest-bearing loan	170,000	-	-	170,000
Finance leases	5,920	4,257	3,948	14,125
Trade and other payables	679,777	-	-	679,777
Total liabilities	1,209,511	4,257	3,948	1,217,716
COMPANY				
Overdrafts	10,236	-	-	10,236
Bank and invoice discounting loans	146,260	-	-	146,260
Interest-bearing loan	170,000	-	-	170,000
Hire purchase & finance leases	5,920	4,257	3,948	14,125
Trade and other payables	410,627	-	154,611	565,238
Total liabilities	743,043	4,257	158,559	905,859

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

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

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FINANCIAL RISK MANAGEMENT cont.**INTEREST RATE RISK**

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

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

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

31 January 2011

	<i>Fixed rate £</i>	<i>Floating rate £</i>	<i>Non-interest bearing £</i>	<i>Total asset £</i>	<i>Total liability £</i>
GROUP					
Trade & other receivables	-	21,139	646,052	667,191	-
Total loans & receivables	-	21,139	646,052	667,191	-
Bank and invoice discounting loans	-	320,388	-	-	320,388
HP & finance leases	3,948	-	-	-	3,948
Trade and other payables	-	-	537,050	-	537,050
Total liabilities at amortised cost	3,948	320,388	537,050	-	861,386
COMPANY					
Trade & other receivables	-	21,139	337,777	358,916	-
Total loans & receivables	-	21,139	337,777	358,916	-
Bank and invoice discounting loans	-	220,482	-	-	220,482
HP & finance leases	3,948	-	-	-	3,948
Trade and other payables	-	-	530,626	-	530,626
Total liabilities at amortised cost	3,948	220,482	530,626	-	755,056

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FINANCIAL RISK MANAGEMENT *cont.*

31 January 2010

	<i>Fixed rate £</i>	<i>Floating rate £</i>	<i>Non-interest- bearing £</i>	<i>Total asset £</i>	<i>Total liability £</i>
GROUP					
Trade & other receivables	-	21,139	561,649	582,788	-
Total loans & receivables	-	21,139	561,649	582,788	-
<hr/>					
Overdrafts	-	31,878	-	-	31,878
Bank and invoice discounting loans	-	321,936	-	-	321,936
Interest-bearing loan	170,000	-	-	-	170,000
HP & finance leases	14,125	-	-	-	14,125
Trade and other payables	-	-	679,777	-	679,777
Total liabilities at amortised cost	184,125	353,814	679,777	-	1,217,716
<hr/>					
COMPANY					
Trade & other receivables	-	21,139	238,602	259,741	-
Total loans & receivables	-	21,139	238,602	259,741	-
<hr/>					
Overdrafts	-	10,236	-	-	10,236
Bank and invoice discounting loans	-	146,260	-	-	146,260
Interest-bearing loan	170,000	-	-	-	170,000
HP & finance leases	14,125	-	-	-	14,125
Trade and other payables	-	-	565,238	-	565,238

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 customers' 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 *cont.*

<i>Financial assets</i>	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade and other receivables	684,658	604,690	363,641	277,518
Estimated irrecoverable amounts	17,467	21,902	14,417	17,777

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

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
As at 1 February	21,902	45,778	17,777	16,428
Provision for receivables impairment	31,236	43,327	13,236	26,552
Receivables written off during year as uncollectible	(20,417)	(35,793)	(16,596)	(25,203)
Unused amounts reversed	(15,254)	(31,410)	-	-
As at 31 January	17,467	21,902	14,417	17,777

The maximum exposure is the carrying amount as disclosed in note 13 and note 18. The average credit period taken on the sale of goods is 52 days (2010: 48 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 2011 and 31 January 2010 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>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Up to 3 months overdue	228,330	301,345	127,525	119,225
3 to 6 months overdue	21,569	45,550	11,170	-
	249,899	346,895	138,695	119,225

2

FINANCIAL RISK MANAGEMENT *cont.*

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.

The Group's policy is not to use forward contracts and therefore none were outstanding at the year end (2010: £Nil). The Group has no foreign currency exposures at 31 January 2011 or 31 January 2010 so no numerical disclosures have been provided.

3

SEGMENTAL INFORMATION

The operating segments are based on the management reports reviewed by the Board of Directors on a monthly basis.

The reportable segments derive their revenue primarily as follows:

- Online – Provision of online and digital services for our client and reader base
- Print Publishing – Provision of regular publications through our leading brands
- Events – Utilising our publishing rights to run events including awards, conferences and seminars, plus a limited number of events on behalf of third parties.

All revenue is derived from provision of services and predominately from customers based in England, the Company's country of domicile, and all assets are based in England.

The Chief Operating Decision-Maker evaluates the performance and resource requirements of these segments in unison to ensure maximum efficiencies within the business, and indeed resources are shared.

The Directors consider the most useful information to users of the accounts is to provide details down to the Gross Profit level only. From then on, any further detail would necessitate arbitrary cost allocation that they do not use in managing the business and is not considered meaningful in terms of how resources are actually utilised.

The Chief Operating Decision-Maker does not receive information on assets and liabilities in a segmental format, and due to the arbitrary nature of the allocation, this information has not been calculated as it is inappropriate to the running of the business.

3

SEGMENTAL INFORMATION cont.

Segment information is presented below.

	2011		2010	
	Revenue £	Profit £	Revenue £	Profit £
<i>Continuing operations</i>				
Online	1,255,222	996,220	1,225,713	967,065
Print publishing	1,227,974	721,508	1,494,302	816,320
Events	829,840	420,656	915,133	410,359
Segment revenue/profit	3,313,036	2,138,384	3,635,148	2,193,744
Central overheads and Directors' salaries		(1,952,253)		(2,001,002)
Depreciation and amortisation		(94,888)		(123,649)
Finance income		4		1,483
Finance costs		(11,310)		(33,870)
Profit for year		79,937		36,706

The allocation of online costs that were previously disclosed in central overheads has now been more appropriately classified within the direct online segment. The comparative profit for online has been reduced by £107,635 to reflect this more accurate representation of online profit.

Revenue represents sales to external customers. There were no inter-segment sales in the period (2010: Nil).

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

4

OPERATING PROFIT

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

	2011 £	2010 £
Depreciation of property, plant and equipment		
- owned assets	21,284	36,049
- leased assets	33,209	37,331
Amortisation of website development costs	40,395	50,269
Operating lease rentals in respect of land and buildings	71,037	38,485
Onerous lease provision (see note below)	-	(61,289)
Share-based payment	71,134	12,552

At 31 January 2009 a provision was made for an onerous lease in a subsidiary company. In October 2009 the subsidiary company was put into liquidation and as a result the provision was written back in the prior year.



OPERATING PROFIT cont.

(b) AUDITOR'S REMUNERATION

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

	2011 £	2010 £
<i>Audit services</i>		
- Fees payable to Company auditor for the audit of Parent Company and consolidated accounts	23,300	25,000
<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	19,200	20,000

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

	2011 £	2010 £
Staff costs (see note 5)	1,364,862	1,479,885
Depreciation, amortisation and impairments (see notes 10 & 11)	94,888	123,649
Change in inventory	7,224	1,791
Magazine costs	428,794	592,397
Events costs	409,184	391,688
Premises costs	145,304	30,124
Marketing expenses	89,700	101,090
Professional fees	114,012	161,759
Other expenses	567,825	683,672
Total cost of sales and administrative expenses	3,221,793	3,566,055



STAFF COSTS

	2011 £	2010 £
<i>Staff costs</i>		
- wages and salaries	1,183,465	1,332,115
- social security costs	110,263	135,218
- share-based payment	71,134	12,552
	1,364,862	1,479,885

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. Of the amount £71,134, an amount of £23,321 is an adjustment for prior years. The Board issues share options to Directors and senior management as it is in their opinion the most effective way to align them with the interests of shareholders.

5

STAFF COSTS *cont.*

	<i>Number</i>	<i>Number</i>
<i>Average monthly number of persons (including Directors and part-time employees) employed by the group</i>		
Senior management	8	7
Finance and administration	3	3
Editorial/design/events	21	23
Marketing and sales	16	16
	<u>48</u>	<u>49</u>

6

DIRECTORS' REMUNERATION

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Aggregate emoluments	231,500	183,392
Compensation for loss of office	-	30,000
	<u>231,500</u>	<u>213,392</u>

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
<i>Emoluments for qualifying services</i>		
ESM Williams	64,167	27,083
LJ Copeland	77,000	70,000
AS Brode	13,333	3,007
K Kingwill (resigned 28 April 2009)	-	45,325
PRT Williams (resigned 10 May 2010)	1,250	2,977
N Baker	72,000	65,000
K Willey (appointed 10 May 2010)	3,750	-
Directors' remuneration	<u>231,500</u>	<u>213,392</u>

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

Included within the payment to K Kingwill is £Nil (2010: £30,000) in relation to compensation for loss of office.

Fees for professional services totalling £3,133 (2010: £Nil) were paid to Tudor Myles Ventures Ltd, a company controlled by Mr PRT Williams, a director of Vitesse Media Plc who resigned on 10 May 2010. The amount owed to Tudor Myles Ventures Ltd at 31 January 2011 was £1,000 (2010: £Nil).

Fees for professional services totalling £5,400 (2010: £Nil) 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 2011 was £2,012 (2010: £Nil).



DIRECTORS' REMUNERATION *cont.*

SHARE OPTION SCHEME DIRECTORS' INTERESTS IN SHARE OPTIONS

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

	<i>31 January 2010 (number)</i>	<i>Granted (number)</i>	<i>Surrendered/ lapsed (number)</i>	<i>31 January 2011 (number)</i>	<i>Exercise price (pence)</i>	<i>Exercisable period</i>
L J Copeland	119,394		119,394	-	12.56	23/01/2005 to 24/01/2011
	100,000		100,000	-	14.5	14/08/2006 to 13/08/2013
	30,000		30,000	-	32.0	30/04/2007 to 29/04/2014
	50,000		50,000	-	30.5	16/05/2009 to 15/05/2015
	50,000		50,000	-	24.5	02/06/2010 to 01/06/2016
	100,000		100,000	-	22.5	01/03/2010 to 28/02/2017
	50,000		50,000	-	30.5	01/03/2011 to 28/02/2018
	150,000		150,000	-	14.0	22/06/2012 to 21/06/2019
		449,394		449,394	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
	<u>649,394</u>	<u>649,394</u>	<u>649,394</u>	<u>649,394</u>		
N Baker	100,000		100,000	-	22.5	01/03/2010 to 28/02/2017
	50,000		50,000	-	30.5	01/03/2011 to 28/02/2018
	150,000		150,000	-	14.0	22/06/2012 to 21/06/2019
		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
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>		
A S Brode	20,833		20,833	-	30.0	01/02/2001 to 31/01/2011

7 NET FINANCE COSTS

	2011 £	2010 £
Bank interest receivable	4	1,483
<i>Less:</i>		
Interest payable on bank loan and overdrafts	9,083	11,617
Finance lease interest	2,935	6,485
Other interest payable	(4,958)	5,851
Interest on other borrowings	4,250	9,917
	11,310	33,870
Net finance costs	(11,306)	(32,387)

8 TAXATION

	2011 £	2010 £
<i>(a) Current taxation</i>		
UK corporation tax	-	-

Corporation tax is calculated at 28% (2010 – 28%) of the estimated assessable profit for the year.

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

	2011 £	2010 £
<i>Factors affecting tax charge for the year:</i>		
Profit before taxation	79,937	36,706
Profit before tax multiplied by the standard rate of corporation tax in the UK of 28% (2010: 28%)	22,382	10,278
<i>Effects of:</i>		
Share-based payments not deductible	19,918	3,515
Other expenses not deductible for tax purposes	1,088	1,460
Depreciation in excess of capital allowances	7,998	22,193
Tax losses in year utilised	(43,960)	(18,580)
Provisions adjustments	1,005	(61)
Other temporary differences	(8,431)	(18,805)
Tax charge for the year	-	-

At the reporting date, the Group has unused tax losses of £4,149,598 (2010: £4,318,306) available for offset against future profits. No deferred tax asset has been recognised in respect of this amount due to the unpredictability of future profit streams.

8 **TAXATION cont.**

At the reporting date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax assets and liabilities have not been recognised was a net asset of £11,850 (2010: £36,133). No deferred tax liability (2010: £Nil) has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

9 **EARNINGS PER SHARE**

(a) Basic

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

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Profit attributable to owners of the parent	79,937	36,706
Weighted average number of ordinary shares in issue	29,699,677	25,603,787
Basic earnings per share (pence per share)	0.27p	0.14p
	<hr/> <hr/>	<hr/> <hr/>

(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 Company has one category of dilutive potential ordinary shares: share options. Only the issue of 564,394 share options are dilutive (note 16); all others are anti-dilutive and have therefore been excluded from this calculation.

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Profit attributable to owners of the parent	79,937	36,706
Weighted average number of ordinary shares in issue	29,699,677	25,603,787
<i>Dilutive effect:</i>		
Share options	1,749	26,846
Diluted ordinary shares	29,701,426	25,630,633
	<hr/> <hr/>	<hr/> <hr/>
Diluted earnings per share (pence per share)	0.27p	0.14p
	<hr/> <hr/>	<hr/> <hr/>

10

INTANGIBLE ASSETS

<i>GROUP</i>	<i>Website development costs £</i>	<i>Publishing rights £</i>	<i>Sub-total £</i>	<i>Goodwill £</i>	<i>Total £</i>
<i>COST</i>					
1 February 2009	259,395	1,815,813	2,075,208	1,027,999	3,103,207
Additions	5,000	-	5,000	-	5,000
31 January 2010	264,395	1,815,813	2,080,208	1,027,999	3,108,207
Additions	21,040	-	21,040	-	21,040
31 January 2011	285,435	1,815,813	2,101,248	1,027,999	3,129,247
<i>AMORTISATION AND IMPAIRMENT</i>					
1 February 2009	126,320	435,813	562,133	2,193	564,326
Amortisation charge for the year	50,269	-	50,269	-	50,269
31 January 2010	176,589	435,813	612,402	2,193	614,595
Amortisation charge for the year	40,395	-	40,395	-	40,395
31 January 2011	216,984	435,813	652,797	2,193	654,990
<i>NET BOOK VALUE</i>					
31 January 2011	68,451	1,380,000	1,448,451	1,025,806	2,474,257
31 January 2010	87,806	1,380,000	1,467,806	1,025,806	2,493,612
1 February 2009	133,075	1,380,000	1,513,075	1,025,806	2,538,881

10

INTANGIBLE ASSETS *cont.*

COMPANY	Website development costs £	Publishing rights £	Sub-total £	Goodwill £	Total £
COST					
1 February 2009	185,815	1,271,808	1,457,623	108,476	1,566,099
Transferred from investments	-	-	-	461,827	461,827
31 January 2010	185,815	1,271,808	1,457,623	570,303	2,027,926
Additions	21,040	-	21,040	-	21,040
31 January 2011	206,855	1,271,808	1,478,663	570,303	2,048,966
AMORTISATION AND IMPAIRMENT					
1 February 2009	98,979	433,408	532,387	-	532,387
Amortisation charge for the year	31,127	-	31,127	-	31,12
31 January 2010	130,106	433,408	563,514	-	563,514
Amortisation charge for the year	21,166	-	21,166	-	21,166
31 January 2011	151,272	433,408	584,680	-	584,680
NET BOOK VALUE					
31 January 2011	55,583	838,400	893,983	570,303	1,464,286
31 January 2010	55,709	838,400	894,109	570,303	1,464,412
1 February 2009	86,836	838,400	925,236	108,476	1,033,712

10 INTANGIBLE ASSETS *cont.*

	<i>Group</i>		<i>Company</i>	
	2011 £	2010 £	2011 £	2010 £
<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	461,827	461,827	461,827	461,827
	<u>1,025,806</u>	<u>1,025,806</u>	<u>570,303</u>	<u>570,303</u>

	<i>Group</i>		<i>Company</i>	
	2011 £	2010 £	2011 £	2010 £
<i>Publishing Rights</i>				
What Investment	625,807	625,807	625,808	625,808
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>1,380,000</u>	<u>1,380,000</u>	<u>838,400</u>	<u>838,400</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 18 months and extrapolates cash flows for the relevant period based on the estimated growth for each CGU for a further 42 months.

The rate used to discount the forecast cash flows for each of the CGUs was 11% (2010: 11%) and growth rates are assumed to be an average of industry expected growth rates, which range from 0% to 20%.

During the previous year, the trade and associated goodwill was transferred from M&A Deals Ltd and integrated into Vitesse Media Plc. This decision was taken due to the downturn in the economy and the mergers and acquisitions market, and it is anticipated that an upturn in the economy will result in a revival of the brand. Based on cash flow forecasts, no impairment is deemed necessary.

10 INTANGIBLE ASSETS *cont.**Sensitivity to changes in assumptions*

Forecast future cash flows are inherently uncertain and could change materially over time.

At 31 January 2011, the intangible assets relating to *Information Age* had the least excess estimated value-in-use over their total carrying value (£Nil). Therefore, if the key assumptions discussed above were less favourable, the estimated value-in-use would fall below the carrying value.

The table below shows the key assumptions used in the value-in-use calculation and the value that, in isolation, the assumption would need to change for the estimated value-in-use to equal the carrying value.

	<i>Assumption used for the value-in-use calculation</i>	<i>Value required for carrying amount to equal the recoverable amount</i>
Discount rate	11%	11%
Growth rate	5%	5%

11 PROPERTY, PLANT AND EQUIPMENT

<i>GROUP</i>	<i>Short leasehold improvements</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
<i>COST</i>			
1 February 2009 and 31 January 2010	22,652	245,670	268,322
Additions	-	11,766	11,766
Disposals	-	(19,447)	(19,447)
31 January 2011	22,652	237,989	260,641
<i>DEPRECIATION</i>			
1 February 2009	10,114	97,143	107,257
Charge for the year	4,530	68,850	73,380
31 January 2010	14,644	165,993	180,637
Charge for the year	4,531	49,962	54,493
Disposals	-	(14,761)	(14,761)
31 January 2011	19,175	201,194	220,369
<i>NET BOOK VALUE</i>			
31 January 2011	3,477	36,795	40,272
31 January 2010	8,008	79,677	87,685

The net book value of fixtures, fittings and equipment includes £20,487 (2010: £53,696) of assets held under finance lease agreements.

11 PROPERTY, PLANT AND EQUIPMENT *cont.*

<i>COMPANY</i>	<i>Short leasehold improvements £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Total £</i>
<i>COST</i>			
1 February 2009	22,652	189,323	211,975
Transfer from subsidiary	-	17,989	17,989
31 January 2010	22,652	207,312	229,964
Additions	-	11,766	11,766
Disposals	-	(19,447)	(19,447)
31 January 2011	22,652	199,631	222,283
<i>DEPRECIATION</i>			
1 February 2009	10,114	71,358	81,472
Charge for the year	4,530	59,379	63,909
31 January 2010	14,644	130,737	145,381
Charge for the year	4,531	48,410	52,941
Disposals	-	(14,761)	(14,761)
31 January 2011	19,175	164,386	183,561
<i>NET BOOK VALUE</i>			
31 January 2011	3,477	35,245	38,722
31 January 2010	8,008	76,575	84,583

The net book value of fixtures, fittings and equipment includes £20,487 (2010: £53,696) of assets held under finance lease agreements.

12

INVESTMENTS

COMPANY	Subsidiary undertakings		Total £
	Shares £	Loans £	
COST			
1 February 2009	913,842	600,647	1,514,489
Loan advancement	-	63,238	63,238
Repayment of loan in year	-	(167,653)	(167,653)
Loan written off	-	(496,232)	(496,232)
Transferred to goodwill	(36,288)	-	(36,288)
31 January 2010 and 31 January 2011	877,554	-	877,554
AMOUNTS WRITTEN OFF:			
1 February 2009	-	(544,659)	(544,659)
Provision released	-	111,665	111,665
Utilisation of provision in respect of impaired loan	-	432,994	432,994
31 January 2010 and 31 January 2011	-	-	-
NET BOOK VALUE			
31 January 2011	877,554	-	877,554
31 January 2010	877,554	-	877,554
1 February 2009	913,842	55,988	969,830

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 for investors and entrepreneurs
Information Age Media Ltd	Monthly publication for IT professionals

13 TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Current:</i>				
Trade receivables	653,634	576,995	342,502	256,379
Impairment of trade receivables	(17,467)	(21,902)	(14,417)	(17,777)
	<u>636,167</u>	<u>555,093</u>	<u>328,085</u>	<u>238,602</u>
Other receivables	9,885	6,556	-	-
Prepayments and accrued income	157,878	118,278	34,416	41,412
Amounts due from subsidiary undertakings	-	-	9,692	-
	<u>803,930</u>	<u>679,927</u>	<u>372,193</u>	<u>280,014</u>
<i>Non-current:</i>				
Deposits	21,139	21,139	21,139	21,139
	<u>21,139</u>	<u>21,139</u>	<u>21,139</u>	<u>21,139</u>

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

14 INVENTORIES

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Raw materials	26,216	18,992	18,637	15,259
	<u>26,216</u>	<u>18,992</u>	<u>18,637</u>	<u>15,259</u>

The amount of inventories recognised as an expense and charged to cost of sales was £80,608 (2010: £114,342).

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>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash and cash equivalents	67,064	-	12,991	-
Bank overdrafts (Note 18)	-	(31,878)	-	(10,236)
	<u>67,064</u>	<u>(31,878)</u>	<u>12,991</u>	<u>(10,236)</u>

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.

16

CALLED-UP SHARE CAPITAL

	<i>Group</i>		<i>Company</i>	
	<i>2011</i> £	<i>2010</i> £ (restated)	<i>2011</i> £	<i>2010</i> £ (restated)
<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>2011</i>	<i>2011</i>	<i>2010</i>	<i>2010</i>
	<i>Number</i>	£	<i>(restated)</i>	<i>(restated)</i>
	<i>Number</i>		<i>Number</i>	£
Ordinary shares of 10p each				
As at 1 February 2010	-	-	25,603,787	2,560,379
Subdivided	-	-	(25,603,787)	(2,560,379)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 January 2011	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ordinary shares of 1p each				
As at 1 February 2010	25,603,787	256,038	-	-
Subdivided	-	-	25,603,787	256,038
Issued	5,000,000	50,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 January 2011	30,603,787	306,038	25,603,787	256,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deferred shares of 9p each				
As at 1 February 2010	25,603,787	2,304,341	-	-
Subdivided	-	-	25,603,787	2,304,341
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 January 2011	25,603,787	2,304,341	25,603,787	2,304,341
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<i>Share</i>	<i>Share</i>	<i>Total</i>
		<i>capital</i>	<i>premium</i>	
		£	£	£
<i>Issued and fully paid:</i>				
As at 31 January 2009 and 2010		2,560,379	2,427,617	4,987,996
Shares issued		50,000	425,000	475,000
Issue costs		-	(21,094)	(21,094)
		<u> </u>	<u> </u>	<u> </u>
As at 31 January 2011		2,610,379	2,831,523	5,441,902
		<u> </u>	<u> </u>	<u> </u>

CALLED-UP SHARE CAPITAL cont.

On 14 August 2009, each ordinary share of 10p was subdivided into one ordinary share of 1p and one deferred share of 9p. Each unissued authorised ordinary share was subdivided into ten 1p ordinary shares.

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 previous year were for a cash injection for brand development and additional working capital.

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

<i>Grant date</i>	<i>Subscription price per share</i>	<i>Period within which options are exercisable</i>	<i>Number of shares for which rights are exercisable</i>	
			<i>2011</i>	<i>2010</i>
31.05.2000	50.00p	30.05.2003 - 30.05.2010	-	16,000
11.07.2000	12.56p	23.01.2002 - 24.01.2011	-	119,394
31.01.2001	30.00p	01.02.2001 - 31.01.2011	-	20,833
23.01.2001	12.56p	03.10.2001 - 22.01.2011	-	64,394
25.01.2001	12.56p	03.10.2001 - 24.01.2011	-	119,394
31.01.2001	40.50p	03.10.2001 - 30.01.2011	-	6,000
31.01.2001	40.50p	31.01.2005 - 31.01.2011	-	29,628
26.09.2001	26.50p	03.10.2001 - 25.09.2011	-	1,500
03.10.2001	30.00p	03.10.2001 - 02.10.2009	-	83,333
08.11.2002	14.00p	08.11.2002 - 07.11.2012	5,000	5,000
08.11.2002	14.00p	08.11.2005 - 07.11.2012	25,000	30,000
31.07.2003	14.50p	31.07.2003 - 30.07.2013	5,000	5,000
31.07.2003	14.50p	31.07.2006 - 30.07.2013	10,000	15,000
14.08.2003	14.50p	14.08.2006 - 13.08.2013	-	100,000
18.08.2003	14.50p	18.08.2006 - 17.08.2013	10,000	10,000
30.04.2004	32.00p	30.04.2007 - 29.04.2014	4,000	35,000
16.05.2005	30.50p	16.05.2009 - 15.05.2015	-	50,000
17.10.2005	22.50p	17.10.2010 - 17.10.2015	10,000	20,000
02.06.2006	24.50p	02.06.2011 - 01.06.2016	5,000	65,000
28.02.2007	22.50p	28.02.2007 - 28.02.2017	120,000	120,000
28.02.2007	22.50p	28.02.2010 - 28.02.2017	10,000	220,000
28.02.2008	30.50p	28.02.2011 - 28.02.2018	10,000	160,000
22.06.2009	14.00p	22.06.2012 - 21.06.2019	100,000	550,000
05.08.2010	9.00p	05.08.2010 - 04.08.2020	564,394	-
05.08.2010	9.00p	28.02.2011 - 04.08.2020	125,000	-
05.08.2010	9.00p	22.06.2012 - 04.08.2020	400,000	-
			1,403,394	1,845,476



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:

	2011 No.	WAEP (pence)	2010 No.	WAEP (pence)
Outstanding at the beginning of the year	1,845,476	19.8p	1,487,821	25.4p
Granted during the year	1,089,394	9.0p	550,000	14.0p
Surrendered during the year	(1,089,394)	19.2p	-	-
Lapsed during the year	(442,082)	21.9p	(192,345)	31.6p
Outstanding at the end of the year	1,403,394	11.2p	1,845,476	19.8p
Exercisable at the end of the year	763,394	12.0p	730,476	20.1p

The market price of the Company's shares on 31 January 2011 was 7p (2010: 11p).

The range of exercise price of outstanding options during the year was between 9p and 32p (2010: 12.56p and 50p).

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

	2011	2010
Weighted average share price (pence)	9	14
Expected volatility (%)	37.1	41.4
Expected life (years)	6	10
Risk-free rate (%)	5.00	4.62
Dividend yield (%)	-	-
Vesting condition (%)	-	37

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

The weighted average remaining contractual life is six years (2010: six years).

The charge for the year for options granted was £30,276 (2010: £12,552), which is included in administrative expenses. Fair value of the options granted during the year was £Nil (2010: £29,106).

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.

On 5 August 2010, the Group converted 1,089,394 share options. The original options were granted between 25 January 2001 and 22 June 2009. Exercise prices ranged from 12.56p to 32p. The options were switched to new options with an exercise price of 9p. All new options expire on 4 August 2020. Details of inputs entered into the Black-Scholes valuation method are detailed above. The conversion of these share options increased their fair value by £22,262.

18 BORROWINGS

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Bank overdrafts	-	31,878	-	10,236
Bank & invoice discounting loans	320,388	321,936	220,482	146,260
Other borrowings	-	170,000	-	170,000
	<u>320,388</u>	<u>523,814</u>	<u>220,482</u>	<u>326,496</u>
Disclosed within current liabilities	320,388	523,814	220,482	326,496
Disclosed as non-current liabilities	-	-	-	-
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

All borrowings are due on demand or within one year.

Bank overdrafts and loans disclosed within current liabilities are arranged at floating rates, exposing the group to cash flow interest rate risk.

The weighted average interest rates paid were as follows:

	<i>2011</i>	<i>2010</i>
	<i>%</i>	<i>%</i>
Bank overdrafts	3.00	3.05
Bank and invoice discounting loans	3.11	2.22
Other borrowings	10.00	10.00

The Directors estimate the fair value of the Group's borrowings as follows:

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Bank and invoice discounting loans	316,866	318,397
Other borrowings	-	127,724
	<u>316,866</u>	<u>446,121</u>
	<u><u> </u></u>	<u><u> </u></u>

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 current borrowings equals their carrying amount, as the impact of discounting is not significant.

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BORROWINGS cont.

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

- (i) At the year end, the Group is not utilising the bank overdraft facility available. Bank overdrafts, when utilised, are repayable on demand. Overdrafts are secured by a debenture over the group's assets. The average effective interest rate on bank overdrafts approximates to 3% (2010: 3.05%) per annum and is determined based on 2.5% plus Lloyds TSB Plc bank base rate.
- (ii) Net obligations under finance leases contracts are secured on the assets concerned. The net book value of secured assets is disclosed in note 11.
- (iii) Bank loans are repayable on one to three months' notice. This represents invoice discounting advances against trade receivables and are secured by a debenture over trade receivables. The net book value is disclosed in Note 13. The average effective rate approximates to 2.46% per annum and is determined based on 2.4% to 3% above bank base rates.
- (iv) Other borrowings of £170,000 relate to a transaction undertaken whereby the Group sold a website to a related party (see note 26). The terms of the agreement were such that the Group continued to use the asset in exchange for a monthly fee. The Group had the ability to repurchase the asset within three years and based on the substance of the transaction, this was treated as a loan. The term of the borrowing was over three years at an interest rate of 10% per annum. Following the fundraising in April 2010, other borrowings of £170,000 were repaid.

At 31 January 2011, the Group has available £Nil (2010: £Nil) of undrawn committed borrowing facilities, in respect of which all conditions precedent have been met.

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NET OBLIGATIONS UNDER FINANCE LEASES

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Within one year	4,972	13,112	4,972	13,112
In the second to fifth years inclusive	-	4,972	-	4,972
	<u>4,972</u>	<u>18,084</u>	<u>4,972</u>	<u>18,084</u>
Less: future finance charges	(1,024)	(3,959)	(1,024)	(3,959)
Present value of lease obligations	<u>3,948</u>	<u>14,125</u>	<u>3,948</u>	<u>14,125</u>
Less: Amount due to settlement within 12 months (shown under current liabilities)	3,948	10,177	3,948	10,177
Amount due to settlement after 12 months	<u>-</u>	<u>3,948</u>	<u>-</u>	<u>3,948</u>

It is the Group's policy to lease certain items of property, plant and equipment under finance leases. The average lease term is three years. For the year ended 31 January 2011, the average effective borrowing rate was 20.76%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	2011	2010	2011	2010
	£	£	£	£
<i>Current:</i>				
Trade payables	274,173	442,630	186,130	280,754
Taxation and social security	115,754	216,117	72,641	81,774
Other payables	16,837	26,978	-	3,924
Accruals	246,040	210,169	126,836	125,949
Deferred income	324,373	341,134	81,361	90,274
	<u>977,177</u>	<u>1,237,028</u>	<u>466,968</u>	<u>582,675</u>
<i>Non-current:</i>				
Amounts owed to subsidiary undertakings	-	-	217,660	154,611
	<u>-</u>	<u>-</u>	<u>217,660</u>	<u>154,611</u>

The Group's financial liabilities are fairly short term in nature. In the opinion of the directors, the book values equate to their fair value.

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PROVISIONS

<i>GROUP</i>	<i>Onerous lease provision £</i>	<i>Total £</i>
At 31 January 2009	61,289	61,289
Onerous lease provision released	(61,289)	(61,289)
At 31 January 2010 and 31 January 2011	<u>-</u>	<u>-</u>

The Company did not have any provisions at 31 January 2011 or 31 January 2010.

NOTES TO THE CASH FLOW STATEMENT

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Profit/(loss) before tax	79,937	36,706	(293,630)	(398,218)
<i>Adjustments for:</i>				
Finance income	(4)	(1,483)	(1)	(923)
Finance costs	11,310	33,870	6,527	25,663
Amortisation	40,395	50,269	21,166	31,127
Depreciation of property, plant and equipment	54,493	73,380	52,941	63,909
Loss on disposal of property, plant and equipment	4,686	-	4,686	-
Provisions on loans released	-	-	-	(111,666)
Onerous lease provision	-	(61,289)	-	-
Share-based payment charge	71,134	12,552	71,134	12,552
Operating cash flows before movements in working capital	261,951	144,005	(137,177)	(377,556)
Increase in inventories	(7,224)	(1,791)	(3,378)	(1,681)
(Increase)/decrease in receivables	(124,003)	151,113	(92,179)	75,059
Decrease in payables	(259,851)	(372,897)	(115,707)	(115,390)
CASH FLOWS USED IN OPERATING ACTIVITIES	(129,127)	(79,570)	(348,441)	(419,568)

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

<i>Group</i>	<i>At 1 Feb 2010 £</i>	<i>Cash flow £</i>	<i>At 31 Jan 2011 £</i>
Cash in hand and at bank	-	67,064	67,064
Overdrafts	(31,878)	31,878	-
	<u>(31,878)</u>	<u>98,942</u>	<u>67,064</u>
	<u><u>(31,878)</u></u>	<u><u>98,942</u></u>	<u><u>67,064</u></u>
 <i>Company</i>	 <i>At 1 Feb 2010 £</i>	 <i>Cash flow £</i>	 <i>At 31 Jan 2011 £</i>
Cash in hand and at bank	-	12,991	12,991
Overdrafts	(10,236)	10,236	-
	<u>(10,236)</u>	<u>23,227</u>	<u>12,991</u>
	<u><u>(10,236)</u></u>	<u><u>23,227</u></u>	<u><u>12,991</u></u>

24 OPERATING LEASE COMMITMENTS

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

	<i>Group</i>		<i>Company</i>	
	<i>2011 £</i>	<i>2010 £</i>	<i>2011 £</i>	<i>2010 £</i>
Land and buildings				
- Less than one year	81,968	81,968	81,968	81,968
- Between one and two years	77,978	77,978	77,978	77,978
- Between two and five years	112,629	185,207	112,629	185,207
	<u>272,575</u>	<u>345,153</u>	<u>272,575</u>	<u>345,153</u>
	<u><u>272,575</u></u>	<u><u>345,153</u></u>	<u><u>272,575</u></u>	<u><u>345,153</u></u>

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

25 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £17,375 (2010: £Nil) for the continued development of the Group-wide databases.

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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:

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Directors' remuneration	231,500	183,392
Compensation for loss of office	-	30,000
Share-based payments	5,039	6,520
Social security costs	25,283	20,538
Total	<u>261,822</u>	<u>240,450</u>

RELATED PARTY TRANSACTIONS

During the period ending 31 January 2011, the related party transactions were concerning inter-company loans and other transactions with Directors which are disclosed in note 6. In addition, following his resignation, Peter Williams continued as a consultant and received £7,500 remuneration for these services.

COMPANY**TRANSACTIONS WITH SUBSIDIARIES**

The only transactions with subsidiary companies during the year ending 31 January 2011 and 31 January 2010 related to inter-company loan payments and receipts.

Loans (due to)/due from subsidiary companies:

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Growth Company Investor Ltd	9,692	(65,934)
Information Age Media Ltd	(217,660)	(88,677)
Total	<u>(207,968)</u>	<u>(154,611)</u>

During the year ending 31 January 2010, the Company entered into an agreement with Tudor Myles Ventures Ltd, a Company owned by Sara and Peter Williams, both of whom are directors of Vitesse Media Plc. The nature of the transaction was to provide funding to Vitesse Media Plc. The Companies entered into an agreement whereby for a sum of £170,000 Tudor Myles Ventures Ltd acquired the website www.SmallBusiness.co.uk.

The agreement included the ability for Vitesse Media Plc to reacquire the asset within a period of three years for a sum of £170,000 and also a licence agreement to enable Vitesse Media Plc to continue to use the website and associated client databases. This transaction had been treated as a subordinated loan as Vitesse Media continued to utilise the assets within its business on a daily basis. On 8 April 2010 the Group exercised the option to acquire the asset. The interest on this loan is disclosed under 'Interest on other borrowings' in note 7.



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