

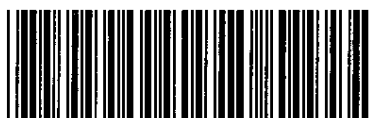
Gravity Oxford Ltd

Unaudited Financial Statements

For the year ended 31 December 2021

For Filing with Registrar

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Company Registration No. 04230132 (England and Wales)

Gravity Oxford Ltd

Company Information

Directors	S D Feast M T Lethbridge A M Daynes	(Appointed 7 September 2021)
Company number	04230132	
Registered office	Wooden Barn Little Baldon Oxford OX44 9PU	

Gravity Oxford Ltd

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Gravity Oxford Ltd

Balance Sheet

As at 31 December 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		52,949		68,946
Current assets					
Debtors	4	834,663		806,216	
Cash at bank and in hand		258,197		232,774	
		<u>1,092,860</u>		<u>1,038,990</u>	
Creditors: amounts falling due within one year	5	<u>(856,184)</u>		<u>(1,074,116)</u>	
Net current assets/(liabilities)			236,676		(35,126)
Total assets less current liabilities			<u>289,625</u>		<u>33,820</u>
Provisions for liabilities	6		(8,558)		(9,847)
Net assets			<u>281,067</u>		<u>23,973</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss reserves			281,065		23,971
Total equity			<u>281,067</u>		<u>23,973</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Gravity Oxford Ltd

Balance Sheet (Continued)

As at 31 December 2021

The financial statements were approved by the board of directors and authorised for issue on 28/09/22
and are signed on its behalf by:

Andrew Daynes

A M Daynes
Director

Company Registration No. 04230132

Gravity Oxford Ltd

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	2	195,091	195,093
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(171,120)	(171,120)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	2	23,971	23,973
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	257,094	257,094
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	2	281,065	281,067
	<hr/>	<hr/>	<hr/>

Gravity Oxford Ltd

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

Company information

Gravity Oxford Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Wooden Barn, Little Baldon, Oxford, OX44 9PU.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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

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

1.2 Exemptions for qualifying entities under FRS 102

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges; hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Gravity Global Limited. These consolidated financial statements are available from its registered office, 69 Wilson Street, London, United Kingdom, EC2A 2BB.

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.3 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

At the balance sheet date, the company had net assets at that date of £281,067 (2020: £23,973).

The directors continue to monitor the impact of the ongoing COVID-19 pandemic and have prepared detailed cash flow projections which are based on their current expectations of trading prospects. The company has positive cash reserves at the date of approval of the financial statements and has been trading profitably since the year end. This will enable it to continue to meet its liabilities as they fall due for at least the next twelve months.

The company has assessed the potential risks and the impact on the business as a result of the pandemic. The company does not have a high level of fixed costs, however should there be a negative impact, a cost deferral and reduction plan will be put in place in order to minimise the impact of any potential risks. This will be proportionate to any anticipated drop off in revenues and cash inflows.

As a result the directors are confident that they have the ability to respond effectively to continued uncertainty and as a result, the directors believe that the company will be able to continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Consequently the financial statements have been prepared on a going concern basis.

1.4 Turnover

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

1.5 Tangible fixed assets

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

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

Leasehold improvements	Over the lease term
Fixtures, fittings & equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Classification of financial liabilities

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

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

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

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

1.8 Equity instruments

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

1.9 Taxation

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

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

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

1.12 Leases

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

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	23	27

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	29,723	194,828	224,551
Additions	-	18,545	18,545
At 31 December 2021	29,723	213,373	243,096
Depreciation and impairment			
At 1 January 2021	10,099	145,506	155,605
Depreciation charged in the year	1,980	32,562	34,542
At 31 December 2021	12,079	178,068	190,147
Carrying amount			
At 31 December 2021	17,644	35,305	52,949
At 31 December 2020	19,624	49,322	68,946

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

4 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	291,445	652,955
Amounts due from group undertakings	293,734	-
Other debtors	249,484	153,261
	<u>834,663</u>	<u>806,216</u>

Debtors include an amount of £25,250 (2020: £25,250) which is due after more than one year.

This balance is a rent deposit secured by way of a mortgage charge, dated 4 June 2010.

5 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	130,036	81,444
Amounts owed to group undertakings	148,729	133,351
Taxation and social security	57,029	245,023
Other creditors	520,390	614,298
	<u>856,184</u>	<u>1,074,116</u>

6 Provisions for liabilities

	2021 £	2020 £
Deferred tax liabilities	<u>8,558</u>	<u>9,847</u>

7 Called up share capital

	2021 £	2020 £
Ordinary share capital		
1,000 Ordinary A shares of 0.1p each	1	1
1,316 Ordinary B shares of 0.1p each	1	1
	<u>2</u>	<u>2</u>

The Ordinary A shares have full voting and dividend rights associated with them.

The Ordinary B shares have full voting rights, however are not entitled to receive a dividend.

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

8 Financial commitments, guarantees and contingent liabilities

A composite guarantee has been given to the Newton Bidco Limited's lenders in respect of any debts or liabilities owing to the lenders by any party to the guarantee. The parties to the guarantee are the companies listed below:

Gravity Global Limited
Gravity London Limited
Gravity Oxford Ltd
Gravity Global Performance Marketing Ltd
Gravity Global Digital Ltd
Larsen Walsh Consultants Limited

At the balance sheet date, Newton Bidco Limited's indebtedness to its lenders was £10,500,000.

9 Operating lease commitments

Lessee

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

	2021 £	2020 £
Within one year	51,040	51,040
Between two and five years	34,027	85,067
	<u>85,067</u>	<u>136,107</u>

10 Related party transactions

As permitted by FRS 102 Section 33 "related party disclosures", the financial statements do not disclose transactions with the immediate parent company and wholly owned fellow subsidiaries on the basis that group financial statements are prepared.

Gravity Oxford Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

11 Controlling party

The immediate parent undertaking of the company is Gravity Global Limited, a company incorporated in England and Wales. The immediate parent company of Gravity Global Limited is Newton Bidco Limited, a company registered in England and Wales. The immediate parent company of Newton Bidco Limited is Newton Midco Limited, a company registered in England and Wales. The ultimate parent company of the group is Newton Topco Limited, a company incorporated in England and Wales.

Gravity Global Limited is the smallest group for which consolidated financial statements including the company are prepared. The consolidated financial statements of Gravity Global Limited are available from its registered office, 69 Wilson Street, London, United Kingdom, EC2A 2BB.

Newton Topco Limited is the largest group for which consolidated financial statements including the company are prepared. The consolidated financial statements of Newton Topco Limited are available from its registered office, 69 Wilson Street, London, United Kingdom, EC2A 2BB.

The company is controlled by Elysian Capital III LP of 1 Southampton Street, London, WC2R 0LR, on the basis that it controls a controlling interest in the voting rights of the share capital of Newton Topco Limited.