

License Compliance Services Limited

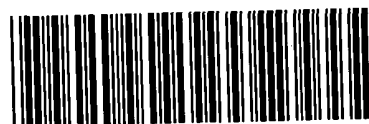
Report and Financial Statements

Period Ended

31 December 2016

Company Number 09885027

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License Compliance Services Limited

Report and financial statements for the period ended 31 December 2016

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Directors

P B Graham
K Kellough
U Lavi

Registered office

16 Upper Woburn Place, London, England, WC1H OBS

Company number

09885027

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

License Compliance Services Limited

Report of the directors for the period ended 31 December 2016

The company was incorporated on 23 November 2015. The directors present their report together with the audited financial statements for the period ended 31 December 2016.

Results and dividends

The loss for the period, after taxation, amounted to £34,783. The directors do not recommend a final dividend for the period.

Principal activities and business review

License Compliance Services Limited's primary operating activity relates to providing services to aide copyright holders protect their digital image content. Management and the Directors monitor the Group's overall performance, from its implementation of the mission statement and strategic plan through the performance of the Group against operating plans and financial budgets. For the Group, Management has identified key performance indicators (KPIs) that are used to monitor performance and are monitored on a regular basis. Due to the Company's type of operation, this measurement is not done in isolation at the Company level as other entities within the Group are needed to obtain a complete analysis of the UK operations. The key indicators for the Group are sales trends, gross margin and administrative expenses.

Directors

The directors who served the company during the period were as follows:

| | |
|------------|--------------------------------|
| P B Graham | (Appointed upon incorporation) |
| K Kellough | (Appointed upon incorporation) |
| U Lavi | (Appointed upon incorporation) |

Directors' responsibilities

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

Directors' responsibilities (*continued*)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

License Compliance Services Limited

Report of the directors for the period ended 31 December 2016 (*continued*)

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

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP has expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

In preparing the directors report, advantage has been taken of the small companies' regime.

On behalf of the Board

DocuSigned by:

Preston Graham

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P B Graham
Director

Date 12/21/2017 | 17:11:50 PST

License Compliance Services Limited

Independent auditor's report for the period ended 31 December 2016

We were engaged to audit the financial statements of License Compliance Services Limited for the period from 23 November 2015 to 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 102.

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 explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for disclaimer of opinion on financial statements

Companies House have threatened legal proceedings against the directors and have stated that the company will incur further penalties and be struck off the Register due to the non-filing of its financial statements for the period ended 31 December 2016. Due to this imposed deadline, the directors have concluded that it is in the best interests of the company and its shareholder to file the financial statements, prepared by management, at their earliest convenience, notwithstanding the fact that the audit is incomplete.

We have been unable to complete our audit due to the limitation placed upon the scope of our work by the directors' decision to file the financial statements at their earliest convenience, and the poor state of the company's books and records. We have not completed any audit work on the going concern status of the company.

As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The possible effects of any undetected misstatements, if any, could be both material and pervasive to the financial statements.

Disclaimer of opinion on financial statements

Because of the significance of the matters described in the basis of disclaimer of opinion on financial statements paragraph we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

License Compliance Services Limited

Independent auditor's report (*continued*) for the period ended 31 December 2016

Opinion on other matters prescribed by the Companies Act 2006

As stated above we were unable to form an opinion on the financial statements and accordingly were unable to determine whether the financial statements may contain material misstatements. Except in respect of any matters that may have arisen had we been able to form an audit opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. However, as stated above, we were unable to form an audit opinion on the financial statements and as result were unable to determine whether any material misstatements exist in information in this report which is derived from or related to the financial statements.

Arising from the limitation on our work described above:

- adequate accounting records have not been kept;
- we have not received all the information and explanations we require for our audit;
- we are unable to determine if certain disclosures of directors' remuneration specified by law have not been made.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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:

- returns adequate for our audit have not been received from branches not visited by us; and
- the financial statements are not in agreement with the accounting records and returns



Joseph Aswani (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date

Date



BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

License Compliance Services Limited

Statement of comprehensive income for the period ended 31 December 2016

| | Note | 2016 £ |
|---|------|-----------|
| Turnover | 3 | 80,094 |
| Administrative expenses | | (114,877) |
| Operating loss | 4 | (34,783) |
| Loss on ordinary activities before taxation | | (34,783) |
| Taxation on loss from ordinary activities | 6 | - |
| Loss and total comprehensive loss for the financial period | | (34,783) |

The results stated above are derived from discontinuing activities.

The notes on pages 9 to 13 form part of these financial statements.

License Compliance Services Limited

Balance sheet
at 31 December 2016

| Company number 09885027 | Note | 2016 £ |
|---|-------------|-------------------|
| Current assets | | |
| Debtors | 7 | 85,081 |
| Cash at bank and in hand | | 5,030 |
| | | <hr/> |
| | | 90,111 |
| Creditors: amounts falling due within one year | 8 | (124,893) |
| | | <hr/> |
| Net current liabilities | | (34,782) |
| | | <hr/> |
| Net liabilities | | (34,782) |
| | | <hr/> |
| Capital and reserves | | |
| Called up share capital | 9 | 1 |
| Profit and loss account | | (34,783) |
| | | <hr/> |
| Shareholders' deficit | | (34,782) |
| | | <hr/> |

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

The financial statements were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Preston Graham

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P B Graham

Director

Date: 12/21/2017 | 17:11:50 PST

The notes on pages 9 to 13 form part of these financial statements.

License Compliance Services Limited

Statement of changes in equity For the period ended 31 December 2016

| | Share capital £ | Profit and loss account £ | Total equity £ |
|--|-----------------------|------------------------------------|----------------------|
| Share issue on incorporation | 1 | - | 1 |
| Total comprehensive loss for the period | | | |
| Loss for the period | - | (34,783) | (34,783) |
| | <hr/> | <hr/> | <hr/> |
| 31 December 2016 | 1 | (34,783) | (34,782) |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 9 to 13 form part of these financial statements.

License Compliance Services Limited

Statement of cash flows for the period ended 31 December 2016

| | Note | 2016 £ |
|---|------|-----------------|
| Cash flows from operating activities | | |
| Loss for the financial period | | (34,783) |
| Adjustments for: | | |
| Increase in group debtors | 7 | (80,566) |
| Increase in other debtors | 7 | (4,514) |
| Increase in group creditors | 8 | 111,918 |
| Increase in trade and other creditors | 8 | 12,975 |
| Tax charge | | - |
| Cash from operations | | 5,030 |
| Taxation paid | | - |
| Net cash generated from operating activities | | 5,030 |
| Net increase/(decrease) in cash and cash equivalents | | |
| Cash and cash equivalents at beginning of period | | - |
| Foreign exchange gain/(loss) | | - |
| Cash and cash equivalents at end of period | | 5,030 |
| Cash and cash equivalents comprise: | | |
| Cash at bank and in hand | | 5,030 |
| | | 5,030 |

The notes on pages 9 to 13 form part of these financial statements.

License Compliance Services Limited

Notes forming part of the financial statements for the period ended 31 December 2016

1 Accounting policies

License Compliance Services Limited is a private company limited by share capital incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the report of the directors. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Further details of this are given in note 2.

The following principal accounting policies have been applied:

Basis of Preparation - Going Concern

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of this basis of preparation, the directors have considered the continued support from the ultimate parent company; Getty Images, Inc., for a period not less than 12 months from the date of signing these financial statements.

Turnover

Turnover represents amounts of collectable receipts on images based on the intercompany contractual agreement, exclusive of Value Added Tax.

Taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Reserves

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Sterling, which is the company's functional and presentation currency.

License Compliance Services Limited

Notes forming part of the financial statements for the period ended 31 December 2016

(b) Transactions and balances

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

1 Accounting policies (*continued*)

Financial assets

Financial assets are initially measured at transaction price and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price and subsequently held at amortised cost.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- In assessing the recoverability of amounts owed to the Company by fellow Group undertakings, Management has considered the anticipated cash flows within the wider Group and the support from the ultimate parent company, and has deemed these balances recoverable.

3 Turnover

Turnover is wholly attributable to the principle activity of the company and arises solely from Israel.

4 Operating loss

| | 2016 |
|--|-------------|
| | £ |
| This has been arrived at after charging: | |
| Operating lease expense | 24,334 |
| Auditors remuneration: | |
| - audit of the financial statements | 9,350 |
| - tax compliance | 3,625 |
| | <hr/> |

5 Directors' emoluments

The Directors are all employees of other Getty Images, Inc. group companies and are remunerated in that capacity.

License Compliance Services Limited

Notes forming part of the financial statements for the period ended 31 December 2016 (*continued*)

6 Taxation on loss from ordinary activities

| | 2016 £ |
|---|-----------|
| <i>Current tax</i> | |
| UK corporation tax charge on loss in the period | - |
| | <hr/> |
| Taxation on loss on ordinary activities | - |
| | <hr/> |

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

| | 2016 £ |
|---|-----------|
| Loss on ordinary activities before tax | (34,783) |
| | <hr/> |
| Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% | (6,957) |
| Effects of: | |
| Loss carried forward | 6,885 |
| Expenses not deductible for tax purposes | 72 |
| | <hr/> |
| Current tax charge for period | - |
| | <hr/> |

7 Debtors

| | 2016 £ |
|------------------------------------|-----------|
| Amounts owed by group undertakings | 80,566 |
| Other debtors | 3,361 |
| Other taxation | 1,154 |
| | <hr/> |
| | 85,081 |
| | <hr/> |

All amounts shown under debtors fall due for payment within one year.

License Compliance Services Limited

Notes forming part of the financial statements for the period ended 31 December 2016 (*continued*)

8 Creditors: amounts falling due within one year

| | 2016 £ |
|------------------------------------|---------------------|
| Amounts owed to group undertakings | 111,918 |
| Other creditors | 12,975 |
| | <hr/> 124,893 <hr/> |

9 Share capital

| | 2016 £ |
|-------------------------------|-----------|
| <i>Allotted and called up</i> | |
| Ordinary shares of £1 each | 1 |
| | <hr/> |

10 Financial instruments

The company's financial instruments may be analysed as follows:

| | 2016 £ |
|---|-----------|
| Financial assets | |
| Financial assets that are debt instruments measured at amortised cost | 88,957 |
| | <hr/> |
| Financial liabilities | |
| Financial liabilities measured at amortised cost | 124,893 |
| | <hr/> |

Financial assets measured at amortised cost comprise cash, other debtors, and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other creditors, and amounts owed to group undertakings.

11 Commitments

As at 31 December 2016 the company had operating lease commitments of £6,000 due within one year.

12 Ultimate parent company and parent undertaking of larger group

License Compliance Services Limited is a private limited company incorporated in England and Wales.

The Company's immediate holding company is Getty Images International, incorporated in the Republic of Ireland. The ultimate holding company is Griffey Global Holdings, Inc. incorporated in the, United States of America.

The Company is included in the consolidated financial statements of both the immediate and ultimate holding companies.

License Compliance Services Limited

Notes forming part of the financial statements for the period ended 31 December 2016 (*continued*)

13 Related party disclosures

The company has taken advantage of the exemption available under Section 33, FRS 102 not to disclose related party transactions between members of the Getty Images, Inc. group, as 100% of the voting rights are controlled by that company.