

THIS IS GRAVITY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THIS IS GRAVITY LIMITED

COMPANY INFORMATION

Directors	MJ Bellamy Lord DM Triesman TB Curtis HS Frost RC Jones CR Kirkland
Registered number	11007113
Registered office	3 Burlington Gardens London W1S 3EP
Independent auditors	Warrener Stewart Chartered Accountants & Statutory Auditors Harwood House 43 Harwood Road London SW6 4QP

THIS IS GRAVITY LIMITED

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THIS IS GRAVITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors

The directors who served during the year were:

MJ Bellamy
Lord DM Triesman
TB Curtis
HS Frost
RC Jones
CR Kirkland

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

THIS IS GRAVITY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors

The auditors, Warrener Stewart, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

MJ Bellamy
Director

Date: 29 March 2021

THIS IS GRAVITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THIS IS GRAVITY LIMITED

Opinion

We have audited the financial statements of This is Gravity Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THIS IS GRAVITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THIS IS GRAVITY LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year 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.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

THIS IS GRAVITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THIS IS GRAVITY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our assessment of the susceptibility of the entity's financial statements is considered to be low. We reached this conclusion after consideration of the following:

- Because of the relatively simple business model, there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- There is a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect fraud.

We designed our audit procedures to respond to identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- The review of control accounts and journal entries for large, unusual or unauthorised entries;
- The analytical review of the detailed profit and loss account for unexpected variances or items that fell outside our understanding of the business;
- Obtaining and reviewing a list of connected persons and entities and reviewing ledgers for undisclosed related party transactions;
- Considering independent appraisals of the value of the Company's investment site; and
- Seeking confirmation of financial headroom for at least twelve month from the date of signature of the financial statements

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more the compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring because of fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation..

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THIS IS GRAVITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THIS IS GRAVITY LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Colin Edney (Senior Statutory Auditor)

for and on behalf of

Warrener Stewart

Chartered Accountants & Statutory Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

29 March 2021

THIS IS GRAVITY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		866,110	-
Cost of sales		(307,674)	-
Gross profit		558,436	-
Administrative expenses		(1,433,498)	(1,005,979)
Other operating income		7,547	14,143
Operating loss		(867,515)	(991,836)
Gain on revaluation of investment properties		-	23,133,667
(Loss)/profit before tax		(867,515)	22,141,831
Tax on (loss)/profit	4	(689,589)	(3,779,000)
(Loss)/profit for the financial year		<u>(1,557,104)</u>	<u>18,362,831</u>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 11 to 20 form part of these financial statements.

THIS IS GRAVITY LIMITED

REGISTERED NUMBER: 11007113

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	44,639	19,326
Investment property	6	56,724,882	47,987,783
		<u>56,769,521</u>	<u>48,007,109</u>
Current assets			
Debtors: amounts falling due after more than one year	7	333,475	363,134
Debtors: amounts falling due within one year	7	1,433,598	807,282
Cash at bank and in hand	8	538,566	88,110
		<u>2,305,639</u>	<u>1,258,526</u>
Creditors: amounts falling due within one year	9	(15,489,925)	(14,306,331)
Net current liabilities		<u>(13,184,286)</u>	<u>(13,047,805)</u>
Total assets less current liabilities		<u>43,585,235</u>	<u>34,959,304</u>
Creditors: amounts falling due after more than one year	10	(18,345,948)	(9,441,941)
Provisions for liabilities			
Deferred tax	11	(6,001,028)	(4,722,000)
Net assets		<u><u>19,238,259</u></u>	<u><u>20,795,363</u></u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		19,238,159	20,795,263
		<u><u>19,238,259</u></u>	<u><u>20,795,363</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

MJ Bellamy

Director

Date: 29 March 2021

The notes on pages 11 to 20 form part of these financial statements.

THIS IS GRAVITY LIMITED

REGISTERED NUMBER:11007113

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

THIS IS GRAVITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	100	2,432,432	2,432,532
Comprehensive income for the year			
Profit for the year	-	18,362,831	18,362,831
At 1 January 2020	100	20,795,263	20,795,363
Comprehensive income for the year			
Loss for the year	-	(1,557,104)	(1,557,104)
At 31 December 2020	100	19,238,159	19,238,259

The notes on pages 11 to 20 form part of these financial statements.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Company is a private company limited by shares and incorporated in England and Wales. The principal activity of the company is that of property investment. The principal place of business is Woolavington Road, Bridgwater, TA7 8AD and the registered office is 3 Burlington Gardens, London, W1S 3EP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Salamanca Group Holdings (UK) Limited as at 31 December 2019 and these financial statements may be obtained from 3 Burlington Gardens, London, W1S 3EP.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Government grants

Capital grants relating to the construction of investment properties are recognised on the performance basis. Grants are deducted from the cost of the asset when the performance related conditions are met, as permitted by FRS 102.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

To the extent that borrowing costs represent the cost of developing investment property, the costs are capitalised as part of the investment asset.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	
Motor vehicles	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2019 - 6).

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(519,980)	(385,000)
Adjustments in respect of previous periods	(69,459)	-
	<u>(589,439)</u>	<u>(385,000)</u>
Deferred tax		
Origination and reversal of timing differences	(212,130)	4,164,000
Changes to tax rates	1,491,158	-
	<u>689,589</u>	<u>3,779,000</u>
Taxation on profit on ordinary activities		
Factors affecting tax charge for the year		

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(867,515)</u>	<u>22,141,831</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(164,828)	4,206,948
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,743	1,563
Capital allowances for year in excess of depreciation	(709)	-
Adjustments to tax charge in respect of prior periods	(69,459)	-
Non-taxable income	-	(4,208,511)
Adjustment in respect of land remediation tax credit leading to an increase (decrease) in the tax charge	(519,980)	(385,000)
Losses carried forward	162,794	-
Deferred taxation	1,279,028	4,164,000
Total tax charge for the year	<u>689,589</u>	<u>3,779,000</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2020	-	24,158	24,158
Additions	33,219	-	33,219
At 31 December 2020	33,219	24,158	57,377
Depreciation			
At 1 January 2020	-	4,832	4,832
Charge for the year on owned assets	3,074	4,832	7,906
At 31 December 2020	3,074	9,664	12,738
Net book value			
At 31 December 2020	30,145	14,494	44,639
<i>At 31 December 2019</i>	-	19,326	19,326

6. Investment property

	Freehold investment property £
Valuation	
At 1 January 2020	47,987,783
Additions at cost	8,737,099
At 31 December 2020	56,724,882

The 2020 valuations were made by Jones Lang Lasalle, surveyors, on an open market value for existing use basis.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Debtors

	2020 £	2019 £
Due after more than one year		
Prepayments and accrued income	<u>333,475</u>	<u>363,134</u>
	2020 £	2019 £
Due within one year		
Trade debtors	-	18,000
Other debtors	866,850	82,063
Prepayments and accrued income	46,768	34,219
Tax recoverable	519,980	673,000
	<u>1,433,598</u>	<u>807,282</u>

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>538,566</u>	<u>88,110</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,733,760	1,792,825
Amounts owed to group undertakings	7,438,027	6,000,000
Other taxation and social security	-	7,653
Other creditors	3,133,549	18,600
Accruals and deferred income	184,589	6,487,253
	<u>15,489,925</u>	<u>14,306,331</u>

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	-	8,491,941
Other loans	18,345,948	-
Amounts owed to group undertakings	-	950,000
	<u>18,345,948</u>	<u>9,441,941</u>

Secured borrowings

Other loans are secured by way of a fixed legal charge over Company's freehold investment property and a floating charge over the business undertaking.

The Company has given a legal charge over its freehold investment property securing development loans advanced via its parent undertaking.

11. Deferred taxation

	2020 £
At beginning of year	4,722,000
Charged to the profit or loss	1,279,028
At end of year	<u>6,001,028</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Revaluation gains	6,736,775	5,119,949
Tax losses carried forward	(735,747)	(397,949)
	<u>6,001,028</u>	<u>4,722,000</u>

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50 (2019 - 50) Ordinary A shares shares of £1.00 each	50	50
50 (2019 - 50) Ordinary B shares shares of £1.00 each	50	50
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

13. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	<hr/> <hr/> -	<hr/> <hr/> 3,500,000

14. Pension commitments

The Company contributes to a defined contribution pension scheme administered through a group company. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £11,014 (2018: £750).

15. Related party transactions

At the balance sheet date an amount of £6,000,000 was owed to the parent company, This is Gravity Holdings Limited. The amount is unsecured and incurs annual interest of 8%.

M J Bellamy, a director of this Company, had an outstanding director's loan balance of £24,000.

The Company accrued fees of £120,000 from Seagull Properties Limited, a company connected to a director, T Curtis.

16. Post balance sheet events

After the year-end the Company continued development of its investment property.

THIS IS GRAVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. Controlling party

Salamanca Group Holdings (UK) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of Salamanca Group Holdings (UK) Limited can be obtained from 3 Burlington Gardens, London. W1S 3EP.

There is no ultimate controlling party of the Company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.