

## Gravity Media Group Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 3879766

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# **Gravity Media Group Limited**

## **Report and financial statements for the year ended 31 December 2016**

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### **Directors**

J Newton  
E Dowdall  
K Moorhouse  
E Kaye  
N Newton (appointed 2 March 2017)

### **Secretary and registered office**

E Kaye, 32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU

### **Company number**

3879766

### **Bankers**

Royal Bank of Scotland plc, 9<sup>th</sup> Floor, 280 Bishopsgate, London, EC2M 4RB

### **Auditors**

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

# Gravity Media Group Limited

## Report of the directors for the year ended 31 December 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

### Results and dividends

The statement of comprehensive income is set out on page 5 and shows the profit for the year.

A dividend was received in the year ended 31 December 2016 of £3,091,810 as a dividend in specie through Gravity Media Group UK Holdings Limited from Gearhouse Broadcast to settle an intercompany balance.

### Principal activity

The principal activity of the company is that of investment holding.

### Directors

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

J Newton  
E Dowdall  
K Moorhouse  
E Kaye  
A Young (resigned 1 September 2016)

### 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.

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.

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.

# Gravity Media Group Limited

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

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### 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.

In preparing this directors' report advantage has been taken of the small companies exemption.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the Board

E Kaye 

### Director

Date: 26 JULY 2017

# **Gravity Media Group Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF GRAVITY MEDIA GROUP LIMITED**

We have audited the financial statements of Gravity Media Group Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

### **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.

## Gravity Media Group Limited

### Independent auditor's report (*continued*)

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#### 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 during 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 where 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.
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Nicole Martin (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 26 July 2017.

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

# Gravity Media Group Limited

## Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Administrative expenses		150	-
<b>Operating profit</b>	3	150	-
Income from investments		3,092	-
Interest receivable		38	2
Interest payable and other similar charges		(3)	-
<b>Profit before taxation</b>		3,277	2
Taxation		(5)	-
<b>Profit for the financial year</b>		3,272	2
<b>Other comprehensive income</b>		-	-
<b>Profit and total comprehensive income for the financial year</b>		3,272	-

All amounts relate to continuing operations.

There are no other recognised gains or losses for the year other than those shown above.

The notes on pages 7 to 11 form part of these financial statements.

# Gravity Media Group Limited

## Statement of financial position at 31 December 2016

<i>Company number 3879766</i>	<i>Note</i>	<b>2016</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
<b>Fixed assets</b>					
Investments	5		3,538		4,395
<b>Current assets</b>					
Debtors	6	943		-	
Cash at bank and at hand		138		-	
		<u>1,081</u>		<u>-</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(103)</u>		<u>(3,151)</u>	
<b>Net current assets</b>			978		(3,151)
<b>Total assets less current liabilities</b>			<u>4,516</u>		<u>1,244</u>
<b>Net assets</b>			<u>4,516</u>		<u>1,244</u>
<b>Capital and reserves</b>					
Called up share capital	8		450		450
Share Premium			675		675
Capital Redemption Reserve			50		50
Profit and loss account			3,341		69
<b>Shareholders' funds</b>			<u>4,516</u>		<u>1,244</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on **20 JULY 2017**

E Kaye

K Moorhouse

  
 Directors  


The notes on pages 7 to 11 form part of these financial statements.



# Gravity Media Group Limited

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

### 1 Accounting policies

Gravity Media Group Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page. The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

#### *Basis of measurement*

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied:

#### *Taxation*

The tax expense for the period comprises current and deferred tax. 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 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.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Foreign currencies*

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. All exchange differences are dealt with through the profit and loss account.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

# Gravity Media Group Limited

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

## 1 Accounting policies (*continued*)

### *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, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

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

There were no significant areas of judgements or estimation in preparing the financial statements.

## 3 Operating profit

	2016 £'000	2015 £'000
This has been arrived at after crediting:		
Profit on foreign exchange	266	-

## 4 Employees

There are no employees in this company apart from the directors

## 5 Fixed asset investment

Company	Group undertakings £'000
At 1 January 2016	4,395
Additions	42
Disposals	(899)
At 31 December 2016	3,538

## Gravity Media Group Limited

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

### 5 Fixed asset investment (continued)

The principal undertakings in which the company's interest at the end of the year is 20% or more are as follows:

Name	Class of share capital held	Proportion held	Nature of business	Registered office
<i>Subsidiary undertakings</i>				
Gravity Media Group UK Holdings Limited	Ordinary £1	100%	Supply of television broadcast equipment services	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Gearhouse Broadcast Limited *	Ordinary £1	100%	Supply of television broadcast equipment services	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Hyperactive Broadcast Limited *	Ordinary £1	100%	Supply of television broadcast equipment services	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Hyperactive Property Limited *	Ordinary £1	100%	Supply of cutting room production facilities	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Gearhouse Broadcast Australia Holdings Pty Limited	Ordinary A\$1	100%	Holding company	Unit 1, 290 Salmon Street, Port Melbourne, 3207
Gravity Media Group Australia Holdings Pty Limited	Ordinary A\$1	100%	Holding company	Unit 1, 290 Salmon Street, Port Melbourne, 3207
Gearhouse Broadcast Pty Limited *	Ordinary A\$1	100%	Supply of television broadcast equipment services	Unit 1, 290 Salmon Street, Port Melbourne, 3207
The Big Cyc Studio Pty Limited *	Ordinary A\$1	100%	Supply of television broadcast equipment services	Unit 1, 290 Salmon Street, Port Melbourne, 3207
Gravity Broadcast Limited	Ordinary £1	100%	Holding company	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Gearhouse Broadcast LLC*	Capital contribution US\$15,000	100%	Supply of television broadcast equipment services	9440 Chivers Avenue, Sun Valley, CA 91352, USA
Gearhouse Actis SAS	Ordinary €215	80.2%	Supply of television broadcast equipment services	21 rue Francisco Ferrer – 93310 le Pré Saint Gervais, France
Gearhouse Australia Pty Ltd *	Ordinary A\$1	100%	Supply of television broadcast equipment services	Unit 1, 290 Salmon Street, Port Melbourne, 3207

## Gravity Media Group Limited

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

### 5 Fixed asset investment *(continued)*

Name		Class of share capital held	Proportion held	Nature of business	Registered office
<i>Subsidiary undertakings</i>					
Gearhouse Broadcast		Ordinary	100%	Dormant	PO Box 769534, Abu Dhabi, UAE
Gulf FZ - LLC		AED200,000			
Sky Techno LLC *		Ordinary \$2,000	50%	Supply of television broadcast equipment services	9440 Chivers Avenue, Sun Valley, CA 91352, USA
Hyperactive Pty Limited *	Broadcast	Ordinary A\$1	100%	Supply of television broadcast equipment services	Unit 1, 290 Salmon Street, Port Melbourne, 3207
<i>Joint ventures</i>					
Gearhouse Broadcast Qatar WLL *		Ordinary QR 1,000	49%	Supply of television broadcast equipment services	PO Box 24613, Doha, Qatar
Spidercam Australia Pty Limited *		Ordinary A\$1	50%	Supply of television broadcast equipment services	Unit 1, 290 Salmon Street, Port Melbourne, 3207
Gearhouse BSI Pty Limited *		Ordinary A\$1	50%	Supply of television broadcast equipment services	Unit 1, 290 Salmon Street, Port Melbourne, 3207
ACBS 2015 Pty Limited *		Ordinary A\$1	50%	De-registered 7 January 2017	Unit 1, 290 Salmon Street, Port Melbourne, 3207
LUGB Pty Limited *		Ordinary A\$1	50%	Non-trading dormant company (process of being de-registered 2016)	Unit 1, 290 Salmon Street, Port Melbourne, 3207

On 13 January 2016, Gearhouse Broadcast Australia Holdings Pty Limited changed its name from Gearhouse Broadcast Holdings Pty Limited. On 24 April 2017, Hyperactive Property Limited changed its name from Edit Spaces Property Limited.

\* Held indirectly

### 6 Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	943	-

## Gravity Media Group Limited

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

### 7 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	55	3,151
Accruals	48	-
	<u>103</u>	<u>3,151</u>

### 8 Share capital

	2016 £'000	2015 £'000
<i>Allotted, called up and fully paid</i> 450,000 ordinary shares of £1 each	450	450
	<u>450</u>	<u>450</u>

### 9 Related party transactions

The company's immediate and ultimate holding company is Gravity Media Group Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The results of the company are included within the group financial statements of Gravity Media Group Holdings Limited but are not included within any other group financial statements.

Copies of the financial statements of Gravity Media Group Holdings Limited may be obtained from Companies House.

No remuneration was paid to directors for services to the company in the year.