

Gravity Media Group Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 03879766



Gravity Media Group Limited

**Report and financial statements
for the year ended 31 December 2019**

Contents

Page:

1	Directors' report
4	Independent auditor's report
7	Statement of comprehensive income
8	Statement of financial position
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

J Newton
E Dowdall
E Kaye
W Lynch
M Deans

Secretary and registered office

N Petken, 32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU

Company number

03879766

Bankers

National Westminster Bank plc, 9th Floor, 280 Bishopsgate, London, EC2M 4RB

Auditors

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

Gravity Media Group Limited

Directors' report for the year ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Results and dividends

The statement of comprehensive income is set out on page 6 and shows the loss for the year.

Principal activity

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

COVID-19

Whilst the Gravity Media business started 2020 with a strong base of contracted revenue, we are now facing an unprecedented global impact following the spread of COVID-19. The various lockdown measures enforced by governments in the countries in which we operate has led to a significant temporary slowdown in the global broadcast industry. The content creation and sport event industry has had to adapt to the COVID-19 pandemic and while crowds are still not allowed, sporting codes and content broadcasters have found procedures to ensure events and production can return to a more normal schedule.

In response, the Board, executive and management teams across our territories have been focused on implementing all the necessary measures to ensure that we withstand the impacted trading environment. These measures include utilising government support, reduced staff working hours, cost control and a freeze on capital expenditure where possible. In addition, the business has adapted procedures, utilised new technologies and worked with customers and government bodies to ensure we can operate safely within the new guidelines as the content creation and live broadcast industry returns to normal schedules.

Despite the downturn, our view is the broadcast market will return due to the demand for live events being broadcast with or without crowds being present at the venues and we are seeing evidence of this in current trading. In addition, the major sporting events that were originally planned in 2020, including the Euro Championships and Olympics, have been postponed and are currently expected to occur in 2021.

The impact of COVID-19 has led the parent of Gravity Media Group Limited to secure new financing across the Group. This will act as a boost to liquidity to assist the business manage the cash flow impact of the significantly reduced revenues in 2020. In July 2020 funds of £20m were raised through a combination of new leasing, capital repayment holidays, the UK Government CLBIL scheme and through shareholder investment.

Business continuity risks have been assessed in the business with the successful implementation of remote working for employees to ensure trading is not interrupted. The company continues to assess all health and safety risks associated with COVID-19 to ensure the safety of our employees, assets, customers and trading partners. The directors would like to thank our employees for all the hard work and dedication during these difficult and uncertain times.

Directors

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

J Newton	
E Dowdall	
K Moorhouse	(Resigned 1 April 2019)
E Kaye	
N Newton	(Resigned 4 September 2020)
P Greensmith	(Resigned 27 March 2020)
W Lynch	(Appointed 9 September 2020)
M Deans	(Appointed 9 September 2020)

Gravity Media Group Limited

Directors' report for the year ended 31 December 2019

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 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.

Going concern

The requirement for the Director's to be reasonably certain that the company has sufficient working capital to continue operating for a period of time (usually 12 months) and that is sufficient to carry out its commitments, obligations and objectives is covered by generally accepted accounting principles. Due to the position of the Company in the Group structure cash is transferred through the Company, from the ultimate parent and fellow subsidiaries in the group.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. The Directors recognise that the COVID-19 pandemic does create risks and uncertainties, as noted in the strategic report the Group raised £20m in July 2020 to provide significant headroom in the event of prolonged disruptions relating to the COVID-19 pandemic.

The Directors have concluded that, taking account of the Company's current cash balances and the sensitised financial forecasts that it remains appropriate to consider the Company to be operating as a going concern. The Company has a letter of support from the parent company Gravity Media Group Holdings Limited so that in the unlikely event the financial position of the Company deteriorated the company would have the financial support of its parent company. All UK incorporated group companies are contractually included within the group overdraft facility.

Gravity Media Group Limited

Directors' report for the year ended 31 December 2019

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: 16 November 2020

Gravity Media Group Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GRAVITY MEDIA GROUP LIMITED

Opinion

We have audited the financial statements of Gravity Media Group Limited ("the Company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, 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 2019 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 Auditor's 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 UK, including the FRC'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 auditor's 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.

Gravity Media Group Limited

Independent auditor's report *(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.

Opinions 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 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.

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 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, 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.

Gravity Media Group Limited

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements

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.

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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Nicole Martin (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 17/11/2020

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 2019

	Note	2019 £'000	2018 £'000
Investment income		-	6,667
Administrative expenses		(4,933)	(4,315)
		<hr/>	<hr/>
Operating (loss)/profit	3	(4,933)	2,352
Interest receivable		-	-
		<hr/>	<hr/>
(Loss)/profit before taxation		(4,933)	2,352
Taxation		(10)	52
		<hr/>	<hr/>
(Loss)/profit for the financial year		(4,943)	2,404
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive (loss)/profit for the financial year		(4,943)	2,404
		<hr/>	<hr/>

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 10 to 17 form part of these financial statements.

Gravity Media Group Limited

Statement of financial position at 31 December 2019

<i>Company number 03879766</i>	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Intangible assets	5		50		117
Investments	6		10,240		10,196
			<hr/>		<hr/>
			10,290		10,313
Current assets					
Debtors	7	7,350		7,232	
Cash at bank and at hand		29		137	
		<hr/>		<hr/>	
		7,379		7,369	
Creditors: amounts falling due within one year	8	(18,186)		(13,256)	
		<hr/>		<hr/>	
Net current (liabilities)			(10,807)		(5,887)
Total assets less current liabilities			<hr/> (517) <hr/>		<hr/> 4,426 <hr/>
Net assets			<hr/> (517) <hr/>		<hr/> 4,426 <hr/>
Capital and reserves					
Called up share capital	9		450		450
Share premium			675		675
Capital redemption reserve			50		50
Profit and loss account			(1,692)		3,251
			<hr/>		<hr/>
Shareholders' funds			<hr/> (517) <hr/>		<hr/> 4,426 <hr/>

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

The financial statements were approved by the Board of Directors and authorised for issue on 16 November 2020


E Kaye
Director


M Deans
Director

The notes on pages 10 to 17 form part of these financial statements.

Gravity Media Group Limited

Statement of changes in equity for the year ended 31 December 2019

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2018	450	675	50	847	2,022
Profit for the year	-	-	-	2,404	2,404
Total comprehensive loss for the year	-	-	-	2,404	2,404
At 31 December 2018	450	675	50	3,251	4,426
Loss for the year	-	-	-	(4,943)	(4,943)
Total comprehensive profit for the year	-	-	-	(4,943)	(4,943)
At 31 December 2019	450	675	50	(1,692)	(517)

The notes on pages 10 to 17 form part of these financial statements.

Gravity Media Group Limited

Notes forming part of the financial statements for the year ended 31 December 2019

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:

Going concern

At the time of approving the financial statements, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future. This assessment is based on the group's projected trading results, cash flows forecasts for the 12-month period from the date of signing these financial statements, the principle risks and uncertainties including the impact of COVID-19 and available banking facilities with it having recently secured additional financing.

On 11 March 2020, the World Health Organisation announced the pandemic status of COVID-19. Subsequent to this announcement, significant measures have been taken by Governments across the world, restricting the movement of people and the forced closure of non-essential business. Given the group operates globally, this has impacted the business's financial performance in FY20.

The directors of the company recognise the impact COVID-19 has had on the results of the business in FY20. Various scenarios assessing the impact on group revenues have been modelled along with subsequent implications on the group cash flow. The forecasting demonstrates that, taking into consideration the additional financing of £20m that has been injected into the business and wider group, the manner in which the business and industry has adapted to operating within the COVID-19 environment, and the mitigating actions taken by the directors, being;

- Staff costs were reduced through a structured reduction in working hours and government support has been utilised where strictly necessary and credit terms have been optimised and extensions agreed with key suppliers

that even in the most extreme downside conditions considered reasonably possible, the group will continue to be able to meet its obligations as they fall due. The Company has a letter of support from the parent company Gravity Media Group Holdings Limited so that in the unlikely event the financial position of the Company deteriorated the company would have the financial support of its parent company.

On this basis, whilst acknowledging there is significant uncertainty regarding the future impacts of COVID-19, due to group revenue forecasts including a high level of contracted work for the next financial period, the directors are satisfied the wider Group remains well placed to manage its business risks successfully. Therefore, they have a reasonable expectation that the wider group has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements and can provide support to the company. Accordingly, the financial statements continue to be prepared on a going concern basis.

Gravity Media Group Limited

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

1 Accounting policies *(continued)*

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 shareholding 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.

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.

Gravity Media Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

3 Operating (loss)/profit

	2019 £'000	2018 £'000
This has been arrived at after crediting:		
Profit on foreign exchange	2	10

4 Employees

Included within administrative expenses are recharges in respect of employee costs borne by the other group companies on behalf of Gravity Media Group Limited of £4,342,000 (2018: £2,543,000)

5 Intangible assets

	Website £'000
<i>Cost</i>	
At 1 January 2019	134
At 31 December 2019	134
<i>Amortisation</i>	
At 1 January 2019	17
Provided in the year	67
At 31 December 2019	84
<i>Net book value</i>	
At 31 December 2019	50
At 31 December 2018	117

Gravity Media Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

6 Fixed asset investment

The company has taken advantage of the exemption allowed under Section 400 of the Companies Act 2006 and has not produced group financial statements on the grounds that it is a wholly owned subsidiary of Gravity Media Group Holdings Limited, a company registered in England and Wales.

Company	Group undertakings £'000
At 1 January 2019	10,196
Additions	44
	<hr/>
At 31 December 2019	10,240
	<hr/>

Additions in the year relate to the purchase of the outstanding minority interest of Gravity Media (France) SAS.

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%	Holding company	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Gravity Broadcast Limited	Ordinary £1	100%	Holding company	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Gravity Media (UK.) 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	5 The Royston Centre, Lynchford Lane, Ash Vale, Surrey, GU12 5PQ
Hyperactive Property Limited *	Ordinary £1	100%	Supply of cutting room production facilities	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Input Video Holdings Limited *	Ordinary £1	100%	Holding company	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Input Video Limited *	Ordinary £1	100%	Supply of television broadcast equipment services	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU

Gravity Media Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

6 Fixed asset investment *(continued)*

Name	Class of share capital held	Proportion held	Nature of business	Registered office
<i>Subsidiary undertakings</i>				
Input Media North Limited *	Ordinary £1	100%	Dormant	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Input Media Limited *	Ordinary £1	100%	Dormant	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Input Media Design Limited *	Ordinary £1	100%	Dormant	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Input Design Limited *	Ordinary £1	100%	Dormant	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Input Video Productions Limited *	Ordinary £1	100%	Dormant	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Great Bear Productions Limited *	Ordinary £1	100%	Dormant	32-34 Greenhill Crescent, Watford Business Park, Hertfordshire, WD18 8JU
Gearhouse Broadcast Australia Holdings Pty Limited *	Ordinary A\$1	100%	Holding company	Level 4, 4 Broadcast Way, Artamon, NSW, 2064, Australia
Gravity Media Group Australia Holdings Pty Limited *	Ordinary A\$1	100%	Holding company	Level 4, 4 Broadcast Way, Artamon, NSW, 2064, Australia
Gravity Media (Australia) Pty Limited *	Ordinary A\$1	100%	Supply of television broadcast equipment services	Level 4, 4 Broadcast Way, Artamon, NSW, 2064, Australia
Hyperactive Broadcast Pty Limited *	Ordinary A\$1	100%	Dormant	Level 4, 4 Broadcast Way, Artamon, NSW, 2064, Australia
Input Media Pty Limited *	Ordinary A\$1	100%	Dormant	Level 4, 4 Broadcast Way, Artamon, NSW, 2064, Australia

Gravity Media Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

6 Fixed asset investment (continued)

Name	Class of share capital held	Proportion held	Nature of business	Registered office
<i>Subsidiary undertakings</i>				
The Big Cyc Studio Pty Limited *	Ordinary A\$1	100%	Supply of television broadcast equipment services	Level 4, 4 Broadcast Way, Artamon, NSW, 2064, Australia
Gravity Media Group US Holdings *	Ordinary \$1	100%	Holding company	7701 Haskell Avenue, Van Nuys, CA 91406, USA
Gravity Media (USA) Corp *	Ordinary \$1	100%	Supply of television broadcast equipment services	7701 Haskell Avenue, Van Nuys, CA 91406, USA
Gravity WPS USA Holdings ULC *	Ordinary CAD\$1	100%	Holding company	7701 Haskell Avenue, Van Nuys, CA 91406, USA
Western Proshow Broadcast (USA) ULC *	Ordinary CAD\$21.50	100%	Supply of television broadcast equipment services	7701 Haskell Avenue, Van Nuys, CA 91406, USA
Sky Techno LLC*	Ordinary \$2,000	100%	Supply of television broadcast equipment services	7701 Haskell Avenue, Van Nuys, CA 91406, USA
Gravity Media (France) SAS	Ordinary €215	100%	Supply of television broadcast equipment services	21 rue Francisco Ferrer – 93310 le Pre Saint Gervais, France
Gravity Media (Germany) Gmbh	Ordinary €25,000	100%	Supply of television broadcast equipment services	Innungstraße 6, 50354 Hürth, Germany
<i>Joint ventures</i>				
Gravity Media Middle East Trading 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

On 31 October 2019, Gravity Media (UK.) Limited changed its name from Gearhouse Broadcast Limited, Gravity Media (Australia) Pty Limited changed its name from Gearhouse Broadcast Pty Limited, Gravity Media (USA) Corp changed its name from Gearhouse Broadcast Corp, Gravity Media (France) SAS changed its name from Gearhouse Broadcast SAS and Gravity Media (Germany) Gmbh changed its name from Gearhouse Broadcast Gmbh. On 18 October 2020, Gravity Media Middle East Trading WLL changed its name from Gearhouse Broadcast Qatar WLL.

* Held indirectly

Gravity Media Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

7 Debtors		
	2019	2018
	£'000	£'000
Amounts due within one year		
Amounts owed by group undertakings	6,807	6,874
Other debtors	263	263
Prepayments	129	27
Deferred tax asset	58	68
Recoverable VAT	93	-
	<u>7,350</u>	<u>7,232</u>
8 Creditors: amounts falling due within one year		
	2019	2018
	£'000	£'000
Amounts owed to group undertakings	17,480	12,391
Corporation tax	-	15
Other creditors	320	170
Accruals	386	680
	<u>18,186</u>	<u>13,256</u>
9 Share capital		
	2019	2018
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
450,000 ordinary shares of £1 each	450	450
10 Contingent liabilities		

The UK Banking Group comprising Gravity Media Group Ltd and its subsidiaries has provided debenture and cross-guarantees in favour of National Westminster Bank to secure the Guarantee Facility ("BGF"), Multi-Currency Overdraft Facility. Additionally, Gravity Media Group Limited also provides a guarantee and debenture in support of these facilities.

The BGF is secured by way of a fixed and floating charge over certain of the UK Banking Group's assets.

Gravity Media Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

11 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.

12 Post Balance Sheet Events

On 11 March 2020, the World Health Organisation announced the pandemic status of COVID-19. Subsequent to this announcement, significant measures have been taken by Governments across the world, restricting the movement of people and the forced closure of non-essential business. Given the company operates globally, this has impacted on the business's financial performance in FY20. The directors recognise it will affect the operations of the business in 2020 but feel the company is able to navigate through the impact of COVID-19 due to the level of contractual work and major sporting events around the group expected to occur in FY21.

There are several factors that will determine the overall impact COVID-19 will have on the company but at the balance sheet date there were no indicators of impairment on any of the company's assets. The company however remains confident that any short-term impact does not impact the medium and long-term value of the assets held.

The impact of COVID-19 has resulted in the parent of the company raising additional finance of £20m from a combination of additional cash injection into the parent's related party loan, from the minority shareholder, TSO European Holdings 1 B.V, and a new CIBIL bank loan from our existing bank lenders. This will boost liquidity and assist the business manage through the significantly reduced revenues suffered in FY20, much of which is likely to recover in FY21 due to the level of contracted work and major sporting events.

The impact of COVID-19 has been considered as part of the company's going concern assessment with a focus on the impact on the company's revenues, working capital and non-current assets. Management have considered the impact a non-adjusting balance sheet event.