Gravity Global Digital Ltd (formerly Nurture Agency Ltd)

Financial Statements

For Filing with Registrar

For the period ended 31 December 2020

Company Registration No. 08057930 (England and Wales)

Gravity Global Digital Ltd (formerly Nurture Agency Ltd)

Company Information

Directors	A Daynes	(Appointed 2 November 2020)
	P Anderson	(Appointed 2 November 2020)
	M Letherbridge	(Appointed 2 November 2020)
	B Korcz	
	R Watts	
	S Williams	
Company number	08057930	
Registered office	69 Wilson Street London United Kingdom EC2A 2BB	
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL	
Business address	69 Wilson Street London United Kingdom EC2A 2BB	

Gravity Global Digital Ltd (formerly Nurture Agency Ltd)

Contents

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 13

Gravity Global Digital Ltd (formerly Nurture Agency Ltd)

Balance Sheet

As at 31 December 2020

	Notes	2020 £	2020 £	2020 as restated £	2020 as restated £
Fixed assets					
Intangible assets	**4**		-		8,335
Tangible assets	**5**		2,977		4,221
			2,977		12,556
Current assets					
Debtors	**6**	1,009,515		644,336	
Cash at bank and in hand		658,852		383,200	
		1,668,367		1,027,536	
Creditors: amounts falling due within one year	**7**	(1,112,961)		(576,552)	
Net current assets			555,406		450,984
Total assets less current liabilities			558,383		463,540
Provisions for liabilities	**9**		-		(801)
Net assets			558,383		462,739
Capital and reserves					
Called up share capital	**10**		78		100
Capital redemption reserve			22		-
Capital contribution reserve			221,463		-
Profit and loss reserves			336,820		462,639
Total equity			558,383		462,739

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

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

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021 and are signed on its behalf by:

A Daynes
Director

Company Registration No. 08057930

Gravity Global Digital Ltd (formerly Nurture Agency Ltd)

Statement of Changes in Equity

For the period ended 31 December 2020

	Notes	Share capital £	Capital redemption reserve £	Capital contribution reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 May 2020:						
Balance at 1 June 2019		100	-	-	336,507	336,607
Period ended 31 May 2020:						
Profit and total comprehensive income for the period		-	-	-	126,132	126,132
Balance at 31 May 2020		100	-	-	462,639	462,739
Period ended 31 December 2020:						
Profit and total comprehensive income for the period		-	-	-	35,395	35,395
Own shares acquired		(22)	22	-	(161,214)	(161,214)
Other movements		-	-	221,463	-	221,463
Balance at 31 December 2020		78	22	221,463	336,820	558,383

1 Accounting policies

Company information

Gravity Global Digital Ltd (formerly Nurture Agency Ltd) is a private company limited by shares incorporated in England and Wales. The registered office is 69 Wilson Street, London, United Kingdom, EC2A 2BB.

1.1 Accounting convention

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

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

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

1.2 Prior period error

The unaudited prior period financial statements have been restated to correct the opening position of the balance sheet. Details of the restatement can be found in note 13.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As at the balance sheet date, the company had net assets of £558,383 (31 May 2020 - £462,739 as restated). The directors continue to monitor the impact of the COVID-19 pandemic and have prepared detailed cash flow projections which are based on their current expectations of trading prospects. The company has positive cash reserves at the date of approval of the financial statements and has been trading profitably since the year end. This will enable it to continue to meet its liabilities as they fall due for at least the next twelve months.

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

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

1.4 Reporting period

The company's period was shortened to 31 December 2020 in line with its parent Gravity Global Limited. As a result comparative amounts presented in the financial statements, including the related notes, are not entirely comparable.

1 Accounting policies **(Continued)**

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

1.7 Tangible fixed assets

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

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

Fixtures and fittings	20% straight line
Computers	25% straight line

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

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

Deferred tax

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

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

1 Accounting policies **(Continued)**

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 Leases

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

1.16 Foreign exchange

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

2 Exceptional costs

	2020 £	2020 £
Acquisition related costs	118,825	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 10 (2020 - 9).

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2020 and 31 December 2020	41,667
Amortisation and impairment	
At 1 June 2020	33,332
Amortisation charged for the period	8,335
At 31 December 2020	41,667
Carrying amount	
At 31 December 2020	-
At 31 May 2020	8,335

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 June 2020 and 31 December 2020	41,556
Depreciation and impairment	
At 1 June 2020	37,333
Depreciation charged in the period	1,246
At 31 December 2020	38,579
Carrying amount	
At 31 December 2020	2,977
At 31 May 2020	4,221

6 Debtors

	2020	2020
Amounts falling due within one year:	**£**	**£**
Trade debtors	956,790	568,529
Other debtors	52,542	75,807
	1,009,332	644,336
Amounts falling due after more than one year:		
Deferred tax asset (see note 9)	183	-
Total debtors	1,009,515	644,336

7 Creditors: amounts falling due within one year

	2020	2020
	£	**£**
Bank loans and overdrafts (see note 8)	50,007	50,007
Trade creditors	16,742	8,208
Amounts due to group undertakings	143,658	-
Corporation tax	49,655	34,295
Other taxation and social security	279,737	199,462
Other creditors	573,162	284,580
	1,112,961	576,552

8 Loans and overdrafts

	2020	2020
	£	**£**
Bank loans	50,007	50,007
Payable within one year	50,007	50,007

During the year, the company entered into a Bounce Back Loan Agreement. The loan is expected to be fully repaid by 12 May 2026 however the company has made a decision to repay it in 2021. The repayment amount and timing of each instalment is based on a fixed interest rate of 2.5% payable on the outstanding principle amount of the loan and applicable until the final repayment date. The loan is expected to be repaid within one year.

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	Liabilities 2020 £	Liabilities 2020 £	Assets 2020 £	Assets 2020 £
Accelerated capital allowances	-	801	183	-

Movements in the period:	2020 £
Liability at 1 June 2020	801
Credit to profit or loss	(984)
Liability/(Asset) at 31 December 2020	(183)

10 Called up share capital

	2020 £	2020 £
Ordinary share capital		
Issued and fully paid		
Nil (2019: 180) Ordinary A shares of 10p each	-	18
779 (2019: 820) Ordinary B shares of 10p each	78	82
	78	100

On 30 June 2020, the company repurchased 180 Ordinary A shares for £123,714, the shares were then cancelled. On 17 September, the company repurchased 41 Ordinary B Shares for £37,500, the shares were then cancelled. These transactions give rise to a Capital Redemption Reserve of £22 and a reduction to retained earnings of £161,214.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Esther Carder.
The auditor was Moore Kingston Smith LLP.

12 Operating lease commitments

Lessee

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

	2020 £	2020 £
Within one year	25,872	21,389
Between two and five years	42,253	2,825
	68,125	24,214

13 Related party transactions

In the period, purchases totalling £22,500 (May 2020: £40,500) were made from We Are Delta Ltd, which is a related party by virtue of common ownership. No amounts were outstanding at year end.

In the period, sales totalling £1,791,522 (May 2020: £1,840,031) were made to Kurtosys Systems Limited, who is a previous shareholder of the company. Amounts due from the company at year end were £95,696 (May 2020: £410,095).

At the period end, there was a balance of £1,778 (May 2020: £10,798 due to) due from one of the directors.

During the year, certain directors / previous shareholders of the company transferred 60 shares to its employees at a nil consideration. A total of 55 shares were also transferred to its subcontractors at a nil consideration. As a result a total share related charge of has been recognised at £237,406 has been recognised in the profit and loss account.

14 Parent company

During the year Gravity Global Limited acquired 100% shareholding of the company.

The immediate and ultimate parent undertaking is Gravity Global Limited, a company incorporated in England and Wales.

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

The directors consider there to be no single ultimate controlling party.

15 Prior period adjustment

The prior period financial statements have been restated to correct cut off errors in the previous year. The impact of the restatement is a reduction of net assets of the Company by £221,976.

The amendment to the results account for the year ended 31 May 2020 were as follows:

Changes to the balance sheet

	At 31 May 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Goodwill	8,335	-	8,335
Tangible assets	4,221		4,221
	12,556	-	12,556
Debtors due within one year	618,065	26,271	644,336
Bank and cash	383,200	-	383,200
	1,001,265	26,271	1,027,536
Creditors due within one year			
Loans and overdrafts	(50,007)	-	(50,007)
Other taxation and social security	(257,973)	24,216	(233,757)
Trade and other creditors	(20,325)	(272,463)	(292,788)
Creditors due within one year	328,305	248,247	576,552
Net current assets	672,960	(221,976)	450,984
Total assets less current liabilities	685,516	(221,976)	463,540
Provisions for liabilities	(801)	-	(801)
Net assets	684,715	(221,976)	462,739
Capital and reserves			
Share capital	100		100
Profit and loss	684,615	(221,976)	462,639
Total equity	684,715	(221,976)	462,739

15 Prior period adjustment **(Continued)**

Changes to the profit and loss account

	Period ended 31 May 2020		
	As previously reported	**Adjustment**	**As restated**
	£	**£**	**£**
Turnover	1,893,364	(212,507)	1,680,857
Cost of sales	(948,678)	855,726	(92,952)
Gross profit	944,686	643,219	1,587,905
Administrative expenses	(510,574)	(917,108)	(1,427,682)
Operating profit	434,112	(273,889)	160,223
Interest receivable and similar income	4	441	445
Interest payable and similar expenses	(24)	-	(24)
Profit before taxation	434,092	(273,448)	160,644
Taxation	(85,984)	51,472	(34,512)
Profit after taxation	348,108	(221,976)	126,132
Profit for the financial period	348,108	(221,976)	126,132

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.