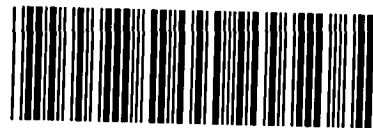


**NOWNESS LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**NOWNESS LIMITED**  
**REGISTERED NUMBER:10840169**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £
<b>Current assets</b>		
Debtors: amounts falling due within one year	5	37,582
		<u>37,582</u>
Creditors: amounts falling due within one year	6	(783,974)
		<u>(746,392)</u>
<b>Net current liabilities</b>		<u>(746,392)</u>
<b>Total assets less current liabilities</b>		<u>(746,392)</u>
<b>Net liabilities</b>		<u><u>(746,392)</u></u>
<b>Capital and reserves</b>		
Called up share capital		1
Profit and loss account		(746,393)
		<u><u>(746,392)</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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

23 October 2018

  
**J W Hack**  
Director

The notes on pages 2 to 5 form part of these financial statements.

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## NOWNESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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#### 1. General information

Nowness Limited is a private company limited by shares and incorporated in England and Wales. Registered number 10840169. Its registered head office and principal place of business is located at 3rd Floor, 2 Arundel Street, London, WC2R 3DA.

The principal activity of the Company is described in the Directors' Report.

#### 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 Going concern

At the period end the Company recorded a loss. This is in line with expectations as the business is in its first year or trading. Having reviewed projections and cash flow forecasts and with the financial support of the parent company, the director considers that preparation of the financial statements on a going concern basis is appropriate.

##### 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 Debtors

Short term debtors are measured at transaction price, less any impairment.

##### 2.5 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, amounts owed to related parties.

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## NOWNESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.5 Financial instruments (continued)

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

##### 2.6 Creditors

Short term creditors are measured at the transaction price.

##### 2.7 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 the Statement of Comprehensive Income 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.

#### 3. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £15,000.

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**NOWNESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**4. Employees**

The average monthly number of employees during the period was 11.

Staff costs, including director's remuneration, were as follows:

	2017 £
Wages and salaries	258,781
Social security costs	27,179
Cost of defined contribution scheme	1,809
	<u>287,769</u>

**5. Debtors**

	2017 £
Amounts owed by group undertakings	19,711
Prepayments and accrued income	17,871
	<u>37,582</u>

The amounts owed by group undertakings are repayable on demand and not subject to interest.

**6. Creditors: Amounts falling due within one year**

	2017 £
Amounts owed to group undertakings	714,544
Accruals and deferred income	69,430
	<u>783,974</u>

The amounts owed to group undertakings are repayable on demand and not subject to interest.

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**NOWNESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**7. Pension commitments**

The Company operates a defined contributions pension scheme. 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 to the fund and amounted to £1,809. Contributions totalling £Nil were payable to the fund at the balance sheet date.

**8. Related party transactions**

The Company has taken advantage of the exemption conferred by FRS 102 section 33, removing the requirement to disclose transactions with group companies where the entities are wholly owned.

**9. Controlling party**

The Company's immediate parent company is Nowness Holdings LLC and owns 100% of the share capital. The Company's ultimate parent company is Modern Media Holdings Ltd incorporated in the Cayman Islands.

Modern Media Holdings Ltd has shares listed on The Stock Exchange of Hong Kong Limited and their financial statements are publicly available.

**10. Auditor's information**

The auditor's report on the financial statements for the period ended 31 December 2017 was unqualified.

The audit report was signed on 27 November 2018 by Laura Brierley (Senior Statutory Auditor) on behalf of Grant Thornton UK LLP.