

Nasdaq Copenhagen A/S  
Postbox 1040  
Nikolaj Plads 6  
DK-1007 Copenhagen

Gate Ventures PLC (GATE)  
Message No. 2/2017  
ISIN: GB00BYX2WP92  
Company No. 9376114

Friday February 24, 2017

## **Interim results for the financial period from 1 July 2016 to 31 December 2016**

### **H1 2016 shows positive progress following successful investments in new entertainment and media platforms, intake of new capital and positive outlooks for musical investments.**

The Board of Gate Ventures PLC («The Company») is pleased to announce its interim results for the first half of The Company's fiscal year 2016/2017, dated July 1 2016 to December 31 2016 («The Period«).

»The Board of Gate Ventures is pleased to publish the Company's interim report for the financial period from 1 July 2016 to 31 December 2016. The Company has increased both investments and intake of new capital in The Period and will continue to expand its investment portfolio following its successful listing on the NASDAQ First North in Copenhagen and recent fundraise, says Chairman Dr. Johnny Hon.

Notably, The Company has increased investments in media entities R4E (now 24% holding), PlayJam (now 25% holding), Bink (steady holding of 4%) as well as Infinity House Productions Limited, which has been renamed to Gate Reality Limited (now 100% holding).

Investments in musical productions in the period proves promising; whereas *Sunset Boulevard*, featuring award-winning Glenn Close, has debuted on Broadway to critical applause from The New York Times et al. in February 2017, *42nd Street* is set to open on Drury Lane March 2017.

Financially, The Company saw gross profits of GBP89,157 in The Period, but incurred total losses of GBP1,318,858. This is due to an upward adjustment in investments and increased overheads partly incurred by listing costs. Thus the earnings per share (basic and diluted) is a loss of 0.3 pence.

A total of EUR2,5/GBP2,25 million has been raised in The Period from investors, the fundraise will help Gate Ventures in continuing and maintaining its strategic investments.

The Company's directors have determined that the principal risks and uncertainties have not changed since the prior annual report dated June 30 2016, while the financials are on budget for The Period and projections for the second half of the fiscal year 2016/2017 remain unchanged.

-END-

**Notes to Editors:**

Gate Ventures was founded in 2015 to make investments and capitalise on investment opportunities in the media and entertainment sectors. The Company focuses primarily on investments and operational opportunities in the UK and China covering theatre, television, media technology and e-commerce.

The Company's investments include various theatre productions such as the successful Sunset Boulevard and the upcoming highly anticipated 42nd Street, virtual reality ("VR"), and technology companies Bink and PlayJam amongst many others. Gate Ventures has made a total of ten investments since it was established, and to date, has successfully raised over €19 million reflecting The Company's significant growth thus far.

-END-

**For further information:**

Gate Ventures PLC

Dr. Johnny Hon, Chairman / Geoff Morrow, CEO

+44 (0) 20 7016 9963

[assistance@gateplc.com](mailto:assistance@gateplc.com)

[www.gateplc.com](http://www.gateplc.com)

**Certified Adviser:**

Keswick Global AG

+43 1 740 408045

[info@keswickglobal.com](mailto:info@keswickglobal.com)

[www.keswickglobal.com](http://www.keswickglobal.com)

**Media enquiries:**

Rossen & Company ApS

Nic. Rossen, Managing Partner / Philip Sørensen, Associate

+45 2072 9972

[nic@rossen.com](mailto:nic@rossen.com)

[www.rossen.com](http://www.rossen.com)

# **GATE VENTURES PLC**

(Company Number: 9376114)

## **INTERIM FINANCIAL REPORT**

For the financial period from 1 July 2016 to 31 December 2016

## **Contents**

Interim management report	3
Independent review report to Gate Ventures Plc	5
Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income	7
Condensed Consolidated Balance Sheet	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12

## **Interim Management Report**

The six months to December 2016 have been an exciting time for the Company. We were very pleased to announce our listing on the Nasdaq First North Stock Exchange on 16th December 2016, which clearly underpins the successful investments the Board has made to date. Nasdaq is an internationally recognised exchange and the Board are enthusiastic about the company's acquisition prospects for the future.

In addition to the listing, the Board has also made some exciting investments in this period. Following its very successful investment in the West End production "Sunset Boulevard", Glenn Close was persuaded to open the same show on Broadway, and the Board invested accordingly, confident it would be another success. The show opened on 9th February to great reviews (The New York Times calling it "The performance of the Century") and the Board are similarly confident that their faith will be borne out. Gate are also investing in the major theatre production of "42nd Street", which will open at the Drury Lane theatre in London's West End on 20th March 2017. The show stars Sheena Easton and has a cast of over 50. The last time the show played in London (at the same theatre), it ran for five years, and the night that the understudy had to go on, a star was born in the shape of Catherine Zeta-Jones.

Gate also increased its stake from 60% to 100% in Infinity House Productions Ltd and renamed it Gate Reality Limited. Gate Reality has a new in-house production team in London, with offices in New York and Shanghai. Gate Reality has a pipeline of exciting blue chip clients and hopes to be able to provide a significant update at year end. During the period Gate also purchased Koffi Designs Limited, a Hong Kong based company. This has allowed Gate to create a Wholly Foreign-Owned Enterprise, Gate Ventures – China Operations, which grants us access to investing in the Chinese market. This business is still in its infancy but we feel it will successfully contribute to the overall strategy and success of the Group in the future.

All of Gate's other investments; R4E, Playjam, Bink and Ensygnia continue to perform as envisaged within this period with investments in R4E (increased to 24% holding), Playjam (increased to 25% holding) and Bink (steady holding) being increased over the period. Again, the Board hope to have more news on these investments at year end.

### **Company Specific Risks**

The directors' have determined that the principal risks and uncertainties have not changed since the annual report as at 30 June 2016.

For a detailed analysis of these risks and uncertainties please refer to the Strategic Report in the Company's annual report for the year ended 30 June 2016.

### **Financial Review**

The financials are on budget for the period, with increased administration costs reflecting the increase in operations. A gain in relation to the termination of the Infinity House Productions business operations has also been recognised. Revenues are forecast for the 2nd half of the year to match the timing of the productions of Sunset Boulevard New York and 42nd Street commencing and the Virtual Reality business. Overheads have increased, partly due to listing costs.

Related parties have not changed since the end of the last financial year. For details of related party transactions please refer to Note 7.

## **Interim Management Report** *(continued)*

In the period, the Company raised €2.5m (£2.25m) of equity funding, to enable the Board to continue with our investment strategy. As announced to the market on 23rd February we have received a signed subscription letter for another €2.5m round of funding. This shows the belief our investors have in the company and the quality of investments made to date.

The Board are excited about the remaining 6 months of the year and look forward to keeping you updated with many exciting developments.

### **Responsibility statement of the directors in respect of the half-yearly financial report**

The directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the interim management report includes a fair review of the business, including:
  - (a) an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

**Richard Carter**  
Director  
23 February 2017

# **Independent Review Report to Gate Ventures Plc**

## **Introduction**

We have been engaged by Gate Ventures Plc (“the Company”) to review the condensed set of interim financial statements in the half-yearly financial report for the six months ended 31 December 2016 which comprises the condensed consolidated balance sheet as at 31 December 2016, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information (“the condensed consolidated interim financial information”).

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Nasdaq First North Nordic – Rulebook. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

## **Directors’ responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the requirements of the Nasdaq First North Nordic – Rulebook.

As disclosed in note 1, the annual consolidated financial statements of the Company are prepared in accordance with IFRSs as adopted by the EU. The condensed consolidated interim financial information included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

## **Our responsibility**

Our responsibility is to express to the Company a conclusion on this condensed consolidated interim financial information based on our review.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 (UK and Ireland), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The company has not previously produced a half-yearly report containing a condensed set of financial statements. As a consequence, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 5 July 2016.

## **Independent Review Report to Gate Ventures Plc** *(continued)*

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information in the half-yearly financial report for the six months ended 31 December 2016 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

**Simon Richardson (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London E14 5GL

24 February 2017

**Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income**  
*for period ended 31 December 2016*  
 (Company Number: 9376114)

	<i>Note</i>	6 months ended 31 December 2016  (unaudited)  £	6 months ended 5 July 2016  (unaudited)  £
<b>Revenue</b>		138,672	-
Cost of sales		(49,515)	-
<b>Gross profit</b>		89,157	-
Administrative expenses		(1,901,274)	(617,797)
<b>Operating loss</b>		(1,812,117)	(617,797)
Gain on sale of business operations	2	491,397	-
Financial income		1,862	1,839
<b>Loss before tax</b>		(1,318,858)	(615,958)
Taxation		-	-
<b>Loss for the period</b>		(1,318,858)	(615,958)
<b>Other comprehensive income</b>		4,683	-
<b>Total comprehensive loss</b>		(1,314,175)	(615,958)
<b>Loss for the period attributable to:</b>			
Equity holders of the parent		(1,318,858)	(615,958)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the parent		(1,314,175)	(615,958)
Earnings per share – Basic		Loss of 0.3 pence	Loss of 0.1 pence
Earnings per share – Diluted		Loss of 0.3 pence	Loss of 0.1 pence

## Condensed Consolidated Balance Sheet

at 31 December 2016

(Company Number: 9376114)

	Note	At 31 December 2016 (unaudited) £	At 30 June 2016 £
<b>Non-current assets</b>			
Property, plant and equipment		203,490	226,706
Intangible assets		-	455,348
Other financial assets	5	10,111,150	4,800,000
		<u>10,314,640</u>	<u>5,482,054</u>
<b>Current assets</b>			
Other financial assets	5	-	1,740,705
Trade and other receivables		1,475,924	1,007,898
Cash and cash equivalents		194,855	2,108,949
		<u>1,670,779</u>	<u>4,857,552</u>
<b>Total assets</b>		<u><u>11,985,419</u></u>	<u><u>10,339,606</u></u>
<b>Current liabilities</b>			
Trade and other payables		1,040,726	188,741
<b>Total liabilities</b>		<u><u>1,040,726</u></u>	<u><u>188,741</u></u>
<b>Net assets</b>		<u><u>10,944,693</u></u>	<u><u>10,150,865</u></u>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	6	346,435	342,685
Share premium	6	14,180,422	11,934,166
Revaluation reserve		4,683	-
Retained earnings		(3,586,847)	(2,327,989)
		<u>10,944,693</u>	<u>9,948,862</u>
Non-controlling interest		-	202,003
<b>Total equity</b>		<u><u>10,944,693</u></u>	<u><u>10,150,865</u></u>

The condensed interim consolidated information was approved by the board of directors on 23 February 2017 and was signed on its behalf by:

**Richard Carter**  
Director

**Condensed Consolidated Statement of Changes in Equity**  
*for period ended 31 December 2016*

	Share capital	Share premium	Revaluation Reserve	Retained earnings	Total parent equity	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
Balance at 30 June 2016	342,685	11,934,166	-	(2,327,989)	9,948,862	202,003	10,150,865
<b>Total comprehensive income for the period</b>							
Profit or loss	-	-	-	(1,318,858)	(1,318,858)	-	(1,318,858)
Other comprehensive income	-	-	4,683	-	4,683	-	4,683
<b>Total comprehensive income for the period</b>	-	-	4,683	(1,318,858)	(1,314,175)	-	(1,314,175)
<b>Transactions with owners of the Group</b>							
<b>Contribution and distributions</b>							
Issue of shares	3,750	2,246,256	-	-	2,250,006	-	2,250,006
Issue of warrants	-	-	-	60,000	60,000	-	60,000
<b>Total contributions by and distributions to owners</b>	3,750	2,246,256	-	60,000	2,310,006	-	2,310,006
<b>Changes in ownership interests</b>							
Disposal of business operations with a non-controlling interest	-	-	-	-	-	(202,003)	(202,003)
<b>Changes in ownership interests</b>	-	-	-	-	-	(202,003)	(202,003)
<b>Total transactions with owners of the Group</b>	3,750	2,246,256	-	60,000	2,250,006	(202,003)	2,108,003
<b>Balance at 31 December 2016 (unaudited)</b>	346,435	14,180,422	4,683	(3,586,847)	10,944,693	-	10,944,693

**Condensed Consolidated Statement of Changes in Equity**  
*for period ended 5 July 2015 and 30 June 2016*

	Share capital £	Share premium £	Retained earnings £	Total parent equity £	Non- controlling interest £	Total equity £
Balance at 6 January 2015 (unaudited)	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>						
Profit or loss	-	-	(615,958)	(615,958)	-	(615,958)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(615,958)</b>	<b>(615,958)</b>	<b>-</b>	<b>(615,958)</b>
<b>Transactions with owners of the Group</b>						
<b>Contribution and distributions</b>						
Issue of shares	327,685	2,949,167	-	3,276,852	-	3,276,852
<b>Total transactions with owners of the Group</b>	<b>327,685</b>	<b>2,949,167</b>	<b>-</b>	<b>3,276,852</b>	<b>-</b>	<b>3,276,852</b>
<b>Balance at 5 July 2015 (unaudited)</b>	<b>327,685</b>	<b>2,949,167</b>	<b>(615,958)</b>	<b>2,660,894</b>	<b>-</b>	<b>2,660,894</b>
<b>Total comprehensive income for the period</b>						
Profit or loss	-	-	(1,712,031)	(1,712,031)	(160,931)	(1,872,962)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,712,031)</b>	<b>(1,712,031)</b>	<b>(160,931)</b>	<b>(1,872,962)</b>
<b>Transactions with owners of the Group</b>						
<b>Contribution and distributions</b>						
Issue of shares	15,000	8,984,999	-	8,999,999	-	8,999,999
<b>Total contributions by and distributions to owners</b>	<b>15,000</b>	<b>8,984,999</b>	<b>-</b>	<b>8,999,999</b>	<b>-</b>	<b>8,999,999</b>
<b>Changes in ownership interests</b>						
Acquisition of business operations with a non-controlling interest	-	-	-	-	362,934	362,934
<b>Changes in ownership interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362,934</b>	<b>362,934</b>
<b>Total transactions with owners of the Group</b>	<b>15,000</b>	<b>8,984,999</b>	<b>-</b>	<b>8,999,999</b>	<b>362,934</b>	<b>9,362,933</b>
<b>Balance at 30 June 2016 (unaudited)</b>	<b>342,685</b>	<b>11,934,166</b>	<b>(2,327,989)</b>	<b>9,948,862</b>	<b>202,003</b>	<b>10,150,865</b>

**Condensed Consolidated Statement of Cash Flows**  
*for period ended 31 December 2016*

	<i>Note</i>	<b>6 months ended 31 December 2016</b>	<b>6 months ended 5 July 2016</b>
		(unaudited)	(unaudited)
		£	£
<b>Cash flows from operating activities</b>			
Loss for the period		(1,318,858)	(615,958)
<i>Adjustments for:</i>			
Depreciation		35,797	-
Expense relating to the issue of warrants		60,000	-
Financial income		(1,862)	(1,839)
Gain on sale of business operations		(491,397)	-
		<hr/>	<hr/>
		(1,716,320)	(617,797)
(Increase)/decrease in trade and other receivables		501,604	(162,369)
Increase/(decrease) in trade and other payables		946,436	139,611
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>		(268,280)	(640,555)
<b>Cash flows from investing activities</b>			
Interest received		1,862	1,839
Disposal of business operations, net of cash disposed	2	(224,217)	-
Acquisition of property, plant and equipment		(107,703)	-
Acquisition of other financial assets		(3,565,762)	-
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(3,895,820)	1,839
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	6	2,250,006	3,276,852
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		2,250,006	3,276,852
Net increase/(decrease) in cash and cash equivalents		(1,914,094)	2,638,136
Cash and cash equivalents at the beginning of the period		2,108,949	-
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>		194,855	2,638,136
		<hr/> <hr/>	<hr/> <hr/>

## **Notes to the consolidated financial statements** *(forming part of the financial statements)*

### **1 Accounting policies**

#### *Basis of preparation*

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The interim condensed consolidated financial statements for the six months ended 31 December 2016 have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting, applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the period ended 30 June 2016.

The preparation of condensed consolidated interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results for which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

#### *Comparative figures*

The comparative figures for the financial period ended 5 July 2016 are unaudited and not the company's statutory accounts for that financial year. The accounts for the 18 months ended 30 June 2016 have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

### **2 Acquisitions/disposal of subsidiaries**

#### *Acquisitions in the current period*

##### *Infinity House Productions/Gate Reality Limited*

On 17th November 2016, Gate Ventures plc acquired from Rosemary Reed and Corinna McCann, their shares in Infinity House Productions Limited, making that company a wholly owned subsidiary. The subsidiary has been renamed and rebranded as Gate Reality Limited and has subsequently set up operations in UK, US and China under new management. On 17th November 2016, Gate Ventures plc ceased their business operations with Rosemary Reed, Corinna McCann and their company Infinity House Productions and Retail Limited which continues to operate using the Infinity brand. Gate Reality Limited will continue to operate in creating virtual reality content for film, television, concert and theatre.

In the one and half months to 31 December 2016 the subsidiary contributed a net loss of £61,250 to the consolidated net loss for the period. If the acquisition had occurred at the beginning of the period the contributed net loss would have remained unchanged. At the date of acquisition there were no assets or liabilities within the company apart from £1,000 receivable for share capital.

##### *Koffi Designs Limited – Gate Ventures China*

On 20th July 2016, Gate Ventures plc acquired 100% of the shares in Koffi Designs Limited, a Hong Kong based company, for HK\$2. The purpose of this was to create a Wholly Foreign-Owned Enterprise (WFOE) to allow Gate Ventures plc access to, and investment in, the Chinese market. This WFOE was set up and created Gate Ventures – China Operations.

In the five and half months to 31 December 2016 the subsidiary contributed a net loss of £75,991 to the consolidated net loss for the period. If the acquisition had occurred at the beginning of the period the contributed net loss would have remained unchanged. At the date of acquisition there were no assets or liabilities within the company.

## Notes to the consolidated financial statements *(continued)*

### 2 Acquisitions/disposal of subsidiaries *(continued)*

#### *Disposals in the current period*

On 17th November 2016, Gate Ventures plc ceased their business operations with Rosemary Reed, Corinna McCann and their company Infinity House Productions and Retail Limited which continues to operate using the Infinity brand. It was agreed that Gate Ventures would receive £1,250,000 payable over 7 instalments from Infinity House Productions and Retail as consideration for termination of business operations, resulting in a £491,397 gain on disposal.

The disposal of the Infinity House Productions business operations had the following effect on the Group's assets, liabilities and net loss for the period.

	<b>Carrying values at disposal date</b>
	<b>£</b>
<b>Net assets at the disposal date:</b>	
Goodwill	455,348
Property, plant and equipment	95,122
Cash and cash equivalents	494,217
Other receivables	10,370
Trade and other payables	(94,451)
	<hr/>
Net assets	960,606
	<hr/>
Less: non-controlling interest	(202,003)
	<hr/>
Assets disposed from the group	758,603
	<hr/> <hr/>
Consideration received for sale	1,250,000
	<hr/>
Gain on disposal	491,397
	<hr/> <hr/>

As at reporting date there was £980,000 of the consideration still outstanding and classified as a receivable on the balance sheet.

The group incurred acquisition and disposal related costs of £32,658 related to legal and professional services. These costs have been included in administrative expenses in the group's consolidated statement profit and loss and other comprehensive income.

### 3 Segment Reporting

The directors of the group monitor performance and allocate resources on the group as a whole. As such there is only one segment and this is not further disaggregated.

## Notes to the consolidated financial statements *(continued)*

### 4 Investments in subsidiaries

The Company has the following investments in subsidiaries at 31 December 2016:

	Country of Incorporation	Registered number	Ownership
Gate Reality Limited	UK	09047884	100%
Koffi Designs Limited (Gate Ventures China)	HK	632708	100%

### Group composition

Gate Reality Limited and Koffi Designs Limited are considered as Subsidiaries because the Company has 100% ownership and voting rights in each company.

### 5 Other financial assets

	31-Dec £	30-Jun £
<b>Non-current</b>		
<b>Available for sale financial assets</b>		
Opening balance	4,800,000	-
- Additions	3,565,762	4,800,000
- Revaluation (fair value gains and losses)	4,683	-
- Reclassification from financial asset designated as fair value through profit or loss	1,740,705	-
Closing balance	<u>10,111,150</u>	<u>4,800,000</u>
<b>Current</b>		
<b>Financial assets designated as fair value through profit or loss</b>		
Opening balance	1,740,705	-
- Additions	-	1,347,582
- Revaluation	-	393,123
- Reclassification to available for sale financial assets	(1,740,705)	-
Closing balance	<u>-</u>	<u>1,740,705</u>

## Notes to the consolidated financial statements *(continued)*

### 6 Capital and reserves

During the period the Company issued 37,500,001 (2016: 3,426,851,900) £0.0001 ordinary shares for a consideration of £2,250,006 (2016: £12,276,851), settled in cash.

During the period the company performed an 8 to 1 share consolidation. Total shares in issue at 31 December 2016 were 433,043,987.

### 7 Related parties

#### *Related party transactions*

During the financial period ended 31 December 2016, Global Group International Holdings Limited, of which a director of the Company is a director, has paid £747,792 on behalf of the Group for the administrative expenses incurred by the Group. These payments were administrative expenses paid to third parties and recharged to the Group. As at 31 December 2016 £27,370 was outstanding to be paid.

During the financial period ended 31 December 2016, Global Group Capital Management Limited, of which a director of the Company is a director, has paid £19,177 on behalf of the Group for the administrative expenses incurred by the Group. These payments were administrative expenses paid to third parties and recharged to the Group. As at 31 December 2016 £12,240 was outstanding to be paid.

During the period ended 31 December 2016, The GradeLinnit Company Limited, a company where certain directors of the Company have beneficial interests and also are directors, provided professional services mainly relating to the investment in the theatre related project to the Company. The fees incurred in administrative expenses in the period ended 31 December 2016 was £129,600. As at 31 December 2016 £21,600 was outstanding to be paid.

During the financial period ended 31 December 2016, Lotus Capital Ventures Limited, which is owned by a partner of a director of the Company, has lent US\$1,000,000 (£816,033) to the Company. This was a loan granted for the purpose of investing. As at 31 December 2016 US\$1,000,000 (£816,033) was outstanding to be paid.

For the list of subsidiaries, please refer to Note 4.

### 8 Subsequent events

Since the end of the reporting period a claim has been lodged by Infinity House Productions and Retail Limited. The Particulars of Claim were received on 22<sup>nd</sup> February 2017 and upon initial assessment of the claim by the Directors they have decided not to provide for the claim in the accounts.

In addition to the above Gate Ventures has issued a Statutory Demand to Infinity House Productions and Retail Limited for non-payment of their second instalment. This means the total remaining balance of £980,000 is now due to Gate Ventures plc. As this is a secured amount the Directors believe there will be no issues recovering this debt and have therefore kept the receivable at its full value in the accounts.

As released to the market on 23<sup>rd</sup> February, Gate Ventures plc has received a signed subscription letter for a €2.5 million (£2.25 million) fundraise.