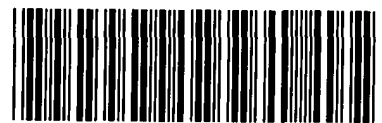


COMPANY REGISTRATION NUMBER: 06772474

Met Media Limited
Financial Statements
30 September 2019

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Met Media Limited
Financial Statements
Year ended 30 September 2019

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Met Media Limited

Officers and Professional Advisers

The board of directors

G J Roberts
H Rabbatts
T C Hoegh
J Woodward
J Persey
D Howell
T F Theobalds

Company secretary

C Cordon

Registered office

Building A
Ealing Studios
Ealing Green
Ealing
W5 5EP

Auditor

Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Met Media Limited
Strategic Report
Year ended 30 September 2019

Fair review of the business

The Directors of the business are satisfied with the results for the year ended 30 September 2019.

The principal activity of the group continued to be the provision of film making courses and feature film production.

During the year additional equity was subscribed by existing shareholders to fund general business purposes.

Principal risks and uncertainties

The majority of the group's revenue is from student fees through an annual recruitment process and consequently the principal operational risk the business faces is student recruitment and retention. This risk is managed by continually reviewing student recruitment strategy whilst ensuring that educational quality and experience of students is at the forefront of the Group's programmes.

The principal financial risk inherent in the industry is the continued availability of student loans to students who meet the qualifying requirements.

Going Concern

The Directors have noted the negative net asset position of the consolidated balance sheet at 30th September 2019, which is due to historic losses generated by the group. The group received additional equity investment during the year to fund a five year plan to improve group profitability. The business has performed in line with budget in the first year of that plan (being the year ended 30th September 2019) and is presently on target to meet budget in the second year of that plan. The directors have reviewed a detailed cash forecast for the group and considered the financing facilities available to the group, and have concluded that the accounts should be prepared on a going concern basis.

This report was approved by the board of directors on 27th Feb and signed on behalf of the board by: 2020

J Woodward
Director



Registered office:
Building A
Ealing Studios
Ealing Green
Ealing
W5 5EP

D Howell
Director



Met Media Limited

Directors' Report

Year ended 30 September 2019

The directors present their report and the financial statements of the group for the year ended 30 September 2019.

Directors

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

G J Roberts
H Rabbatts
T C Hoegh
J Woodward
J Persey
T F Theobalds
D Howell

(Appointed 2 January 2019)

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

A Strategic report is included in these accounts in accordance with section 414C(11) of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Met Media Limited

Directors' Report *(continued)*

Year ended 30 September 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 22 Feb and signed on behalf of the board by: 2020

J Woodward
Director

Registered office:
Building A
Ealing Studios
Ealing Green
Ealing
W5 5EP

D Howell
Director

Met Media Limited

Independent Auditor's Report to the Members of Met Media Limited

Year ended 30 September 2019

Opinion

We have audited the financial statements of Met Media Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 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 group's and of the parent company's affairs as at 30 September 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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 group's or the parent 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.

Met Media Limited

Independent Auditor's Report to the Members of Met Media Limited (continued)

Year ended 30 September 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Met Media Limited

Independent Auditor's Report to the Members of Met Media Limited *(continued)*

Year ended 30 September 2019

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Met Media Limited

Independent Auditor's Report to the Members of Met Media Limited *(continued)*

Year ended 30 September 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.



Stewart Jell (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

27/02/2020

Met Media Limited
Consolidated Statement of Comprehensive Income
Year ended 30 September 2019

	Note	2019 £	2018 £
Turnover	4	9,269,626	7,882,030
Cost of sales		(3,299,046)	(2,851,753)
Gross profit		5,970,580	5,030,277
Administrative expenses		(7,809,789)	(7,732,611)
Operating loss	5	(1,839,209)	(2,702,334)
Interest payable and similar expenses	9	(318,372)	(536,324)
Loss before taxation		(2,157,581)	(3,238,658)
Tax on loss		—	—
Loss for the financial year and total comprehensive income		<u>(2,157,581)</u>	<u>(3,238,658)</u>
Loss for the financial year attributable to:			
The owners of the parent company		(2,148,314)	(3,299,999)
Non-controlling interests		(9,267)	61,341
		<u>(2,157,581)</u>	<u>(3,238,658)</u>

All the activities of the group are from continuing operations.

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited

Consolidated Statement of Financial Position

30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	92,140	176,438
Tangible assets	11	1,261,297	1,071,261
Investments	12	11,210	11,210
		<u>1,364,647</u>	<u>1,258,909</u>
Current assets			
Stocks	13	287,634	604,191
Debtors	14	5,344,595	8,994,636
Cash at bank and in hand		1,989,853	1,358,372
		<u>7,622,082</u>	<u>10,957,199</u>
Creditors: amounts falling due within one year	15	11,807,711	10,691,108
Net current (liabilities)/assets		<u>(4,185,629)</u>	<u>266,091</u>
Total assets less current liabilities		<u>(2,820,982)</u>	<u>1,525,000</u>
Creditors: amounts falling due after more than one year	16	134,147	3,221,245
Provisions			
Taxation including deferred tax	18	3,775	3,775
Net liabilities		<u>(2,958,904)</u>	<u>(1,700,020)</u>
Capital and reserves			
Called up share capital	21	182,028	12,611
Share premium account	22	3,607,814	2,526,456
Shareholder loan	22	1,570,479	5,301,105
Capital contribution from shareholders	22	3,378,548	-
Profit and loss account	22	<u>(11,697,652)</u>	<u>(9,484,042)</u>
Equity attributable to the owners of the parent company		<u>(2,958,783)</u>	<u>(1,643,870)</u>
Non-controlling interests		<u>(121)</u>	<u>(56,150)</u>
		<u>(2,958,904)</u>	<u>(1,700,020)</u>

The consolidated statement of financial position
continues on the following page.

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited

Consolidated Statement of Financial Position *(continued)*


30 September 2019

These financial statements were approved by the board of directors and authorised for issue on ~~27 February~~ and are signed on behalf of the board by:



J Woodward
Director

Company registration number: 06772474



D Howell
Director

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited
Company Statement of Financial Position
30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	12	800,741	800,741
Current assets			
Debtors	14	5,967,371	5,398,018
Cash at bank and in hand		11,108	4,494
		<u>5,978,479</u>	<u>5,402,512</u>
Creditors: amounts falling due within one year	15	<u>249,503</u>	<u>124,882</u>
Net current assets		<u>5,728,976</u>	<u>5,277,630</u>
Total assets less current liabilities		<u>6,529,717</u>	<u>6,078,371</u>
Net assets		<u>6,529,717</u>	<u>6,078,371</u>
Capital and reserves			
Called up share capital	21	182,028	12,511
Share premium account	22	3,607,814	2,526,456
Shareholder loan	22	1,570,479	5,301,105
Capital contribution from shareholders	22	3,378,548	-
Profit and loss account	22	(2,209,152)	(1,761,701)
Shareholders funds		<u>6,529,717</u>	<u>6,078,371</u>

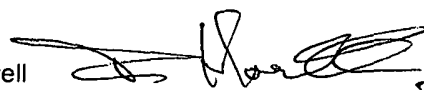
The loss for the financial year of the parent company was £447,451 (2018: £601,125).

These financial statements were approved by the board of directors and authorised for issue on 27 Feb 2020 and are signed on behalf of the board by:

J Woodward
Director



D Howell
Director



Company registration number: 06772474

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited
Consolidated Statement of Changes in Equity
Year ended 30 September 2019

	Called up share capital £	Share premium account £	Shareholder loan £	Capital contribution from shareholders £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controllin g interests £	Total £
At 1 October 2017	5,967	785,351	4,816,854	—	(6,184,043)	(575,871)	(117,491)	(693,362)
Loss for the year	—	—	—	—	(3,299,999)	(3,299,999)	61,341	(3,238,658)
Total comprehensive income for the year	—	—	—	—	(3,299,999)	(3,299,999)	61,341	(3,238,658)
Issue of shares	6,644	1,741,105	—	—	—	1,747,749	—	1,747,749
Increase in shareholder loan	—	—	484,251	—	—	484,251	—	484,251
Total investments by and distributions to owners	6,644	1,741,105	484,251	—	—	2,232,000	—	2,232,000
At 30 September 2018	12,611	2,526,456	5,301,105	—	(9,484,042)	(1,643,870)	(56,150)	(1,700,020)
Loss for the year	—	—	—	—	(2,148,314)	(2,148,314)	(9,267)	(2,157,581)
Total comprehensive income for the year	—	—	—	—	(2,148,314)	(2,148,314)	(9,267)	(2,157,581)

The consolidated statement of changes in equity
continues on the following page.

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited
Consolidated Statement of Changes in Equity *(continued)*
Year ended 30 September 2019

	Called up share capital £	Share premium account £	Shareholder loan £	Capital contribution from shareholders £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controllin g interests £	Total £
Issue of shares	169,417	1,081,358	–	–	–	1,250,775	–	1,250,775
Capital contribution from shareholders	–	–	(3,730,626)	–	–	(3,730,626)	–	(3,730,626)
Redemption of shares	–	–	–	–	–	–	65,296	65,296
Increase in shareholder loan	–	–	–	3,378,548	–	3,378,548	–	3,378,548
Transfer of minority shares in Met Film Ltd to Met Media Ltd	–	–	–	–	(65,296)	(65,296)	–	(65,296)
Total investments by and distributions to owners	169,417	1,081,358	(3,730,626)	3,378,548	(65,296)	833,401	65,296	898,697
At 30 September 2019	182,028	3,607,814	1,570,479	3,378,548	(11,697,652)	(2,958,783)	(121)	(2,958,904)

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited
Company Statement of Changes in Equity
Year ended 30 September 2019

	Called up share capital £	Share premium account £	Shareholder loan £	Capital contribution from shareholders £	Profit and loss account £	Total £
At 1 October 2017	5,967	785,351	4,816,854	–	(1,160,576)	4,447,596
Loss for the year	—	—	—	—	(601,125)	(601,125)
Total comprehensive income for the year	–	–	–	–	(601,125)	(601,125)
Issue of shares	6,544	1,741,105	–	–	–	1,747,649
Increase in shareholder loan	–	–	484,251	–	–	484,251
Total investments by and distributions to owners	6,544	1,741,105	484,251	–	–	2,231,900
At 30 September 2018	12,511	2,526,456	5,301,105	–	(1,761,701)	6,078,371
Loss for the year	—	—	—	—	(447,451)	(447,451)
Total comprehensive income for the year	–	–	–	–	(447,451)	(447,451)
Issue of shares	169,517	1,081,358	–	–	–	1,250,875
Capital contribution from shareholders	–	–	(3,730,626)	–	–	(3,730,626)
Increase in shareholder loan	–	–	–	3,378,548	–	3,378,548
Total investments by and distributions to owners	169,517	1,081,358	(3,730,626)	3,378,548	–	898,797
At 30 September 2019	<u>182,028</u>	<u>3,607,814</u>	<u>1,570,479</u>	<u>3,378,548</u>	<u>(2,209,152)</u>	<u>6,529,717</u>

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited
Consolidated Statement of Cash Flows
Year ended 30 September 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(2,157,581)	(3,238,658)
<i>Adjustments for:</i>		
Depreciation of tangible assets	462,905	484,774
Amortisation of intangible assets	99,601	393,262
Interest payable and similar expenses	318,372	536,324
Accrued (income)/expenses	(1,644,834)	3,170,827
<i>Changes in:</i>		
Stocks	316,557	(601,673)
Trade and other debtors	3,650,041	(1,498,290)
Trade and other creditors	(336,285)	(186,304)
Cash generated from operations	708,776	(939,738)
Interest paid	(318,372)	(536,324)
Tax received	-	67
Net cash from/(used in) operating activities	<u>390,404</u>	<u>(1,475,995)</u>
Cash flows from investing activities		
Purchase of tangible assets	(652,941)	(200,626)
Proceeds from sale of tangible assets	-	25,475
Purchase of intangible assets	(15,303)	(19,047)
Net cash used in investing activities	<u>(668,244)</u>	<u>(194,198)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,250,775	1,747,749
Payments of finance lease liabilities	10,673	(23,993)
Other financing cash flow adjustment	(352,127)	428,236
Net cash from financing activities	<u>909,321</u>	<u>2,151,992</u>
Net increase in cash and cash equivalents	631,481	481,799
Cash and cash equivalents at beginning of year	1,358,372	876,573
Cash and cash equivalents at end of year	<u>1,989,853</u>	<u>1,358,372</u>

The notes on pages 17 to 29 form part of these financial statements.

Met Media Limited
Notes to the Financial Statements
Year ended 30 September 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Building A, Ealing Studios, Ealing Green, Ealing, W5 5EP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities. The financial statements are prepared in sterling, which is the functional currency of the company.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. Although the Group made a loss in the current year it is expected to have sufficient cash for the forthcoming twelve months which is supported by a financing facility available from Lloyds Bank. Therefore the directors continue to adopt the going concern basis for preparing the annual financial statements.

Finance costs

Finance costs are calculated by assuming a constant rate of interest on the net proceeds received after taking account of the expected schedule of payments as at the date of the loan.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised. The results of companies acquired or disposed of are included in the statement of comprehensive income after or up to the date that control passes respectively. As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

3. Accounting policies (continued)

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The group recognises revenue on an accruals basis, when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the group. School revenue includes amounts deferred and accrued during the year and is stated after trade discounts, other taxes and net of VAT and is recognised in line with directly attributable costs.

Royalty revenue is recognised on receipt of royalty statements from distributors.

Production revenue is recognised in accordance with the stage of completion of the project to which it relates; provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting year. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past years. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of comprehensive income.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the group's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. The Board have reviewed the useful economic life of goodwill and have concluded that, whilst it is not impaired as at year end, it has a finite life and as such goodwill is being amortised over 5 years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	60 months straight line
Development Costs	-	36 months straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Film Making Equipment	-	7 years straight line
Computer Equipment	-	4 years straight line
Fixtures and Fittings	-	10 years straight line
Office Equipment	-	5 years straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

3. Accounting policies (continued)

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each year so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the year it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the year in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Course Fees	8,934,316	7,417,530
Other Revenue	335,310	464,500
	<u>9,269,626</u>	<u>7,882,030</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2019 £	2018 £
United Kingdom	8,439,721	6,941,999
Overseas	829,905	940,031
	<u>9,269,626</u>	<u>7,882,030</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019 £	2018 £
Amortisation of intangible assets	99,601	393,262
Depreciation of tangible assets	462,905	481,679
Impairment of trade debtors	(99,212)	50,635
Foreign exchange differences	8,008	(906)
	<u>8,008</u>	<u>(906)</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>28,000</u>	<u>28,000</u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2019 No.	2018 No.
Administrative staff	<u>70</u>	<u>70</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

7. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	2,932,037	2,948,151
Social security costs	311,720	313,127
Other pension costs	172,319	121,818
	<u>3,416,076</u>	<u>3,383,096</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	<u>329,400</u>	<u>444,281</u>

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	<u>123,150</u>	<u>191,681</u>

9. Interest payable and similar expenses

	2019	2018
	£	£
Interest on obligations under finance leases and hire purchase contracts	25,500	32,403
Other interest payable and similar charges	<u>292,872</u>	<u>503,921</u>
	<u>318,372</u>	<u>536,324</u>

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

10. Intangible assets

Group	Goodwill £	Development costs £	Total £
Cost			
At 1 October 2018	1,764,244	759,110	2,523,354
Additions	–	15,303	15,303
At 30 September 2019	<u>1,764,244</u>	<u>774,413</u>	<u>2,538,657</u>
Amortisation			
At 1 October 2018	1,764,244	582,672	2,346,916
Charge for the year	–	99,601	99,601
At 30 September 2019	<u>1,764,244</u>	<u>682,273</u>	<u>2,446,517</u>
Carrying amount			
At 30 September 2019	<u>–</u>	<u>92,140</u>	<u>92,140</u>
At 30 September 2018	<u>–</u>	<u>176,438</u>	<u>176,438</u>

The company has no intangible assets.

11. Tangible assets

Group	Film Making Equipment £	Computer Equipment £	Fixtures and fittings £	Office Equipment £	Total £
Cost					
At 1 October 2018	1,509,072	2,081,708	1,642,240	203,548	5,436,568
Additions	41,104	243,153	360,968	7,716	652,941
At 30 September 2019	<u>1,550,176</u>	<u>2,324,861</u>	<u>2,003,208</u>	<u>211,264</u>	<u>6,089,509</u>
Depreciation					
At 1 October 2018	1,217,502	1,730,375	1,231,754	185,676	4,365,307
Charge for the year	106,286	226,719	120,134	9,766	462,905
At 30 September 2019	<u>1,323,788</u>	<u>1,957,094</u>	<u>1,351,888</u>	<u>195,442</u>	<u>4,828,212</u>
Carrying amount					
At 30 September 2019	<u>226,388</u>	<u>367,767</u>	<u>651,320</u>	<u>15,822</u>	<u>1,261,297</u>
At 30 September 2018	<u>291,570</u>	<u>351,333</u>	<u>410,486</u>	<u>17,872</u>	<u>1,071,261</u>

The company has no tangible assets.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

12. Investments

Group	Other investments other than loans £
Cost	
At 1 October 2018 and 30 September 2019	<u>11,210</u>
Impairment	
At 1 October 2018 and 30 September 2019	<u>-</u>
Carrying amount	
At 1 October 2018 and 30 September 2019	<u>11,210</u>
At 30 September 2018	<u>11,210</u>
Company	Loans to group undertakings £
Cost	
At 1 October 2018 and 30 September 2019	<u>800,741</u>
Impairment	
At 1 October 2018 and 30 September 2019	<u>-</u>
Carrying amount	
At 1 October 2018 and 30 September 2019	<u>800,741</u>
At 30 September 2018	<u>800,741</u>

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

12. Investments (continued)

COMPANY:

	2019 £	2018 £
Met Film Ltd - Loan investment	798,809	798,809
Met Film Ltd - Share capital investment	1,931	1,931
Met Film Operations Ltd - Share capital investment	1	1
	<u>800,741</u>	<u>800,741</u>

	Loans in group undertakings £	Shares in group undertakings £	Total £
Opening and closing balance	<u>798,809</u>	<u>1,932</u>	<u>800,741</u>

The company also has unpaid share capital investment commitments relating to the following subsidiaries:

	2019 £	2018 £
Met Film Production Ltd	1	1
Met Film School Ltd	1	1
	<u>2</u>	<u>2</u>

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Met Film Limited	Ordinary £1	100
Met Film School Limited	Ordinary £1	100
Met Film Operations Limited	Ordinary £1	100
Met Film Post Limited	Ordinary £1	100
Met Film Productions Limited	Ordinary £1	100
Met Film Sales Limited	Ordinary £1	100
Met Feature Film Limited	Ordinary £1	100
Donor 150 Limited	Ordinary £1	100
Town of Runner Limited	Ordinary £1	100
Met Go 2 Limited	Ordinary £1	100
Hip Hop Hoax Limited	Ordinary £1	100
After the Revolution Limited	Ordinary £1	100
Talent Code Limited	Ordinary £1	50
Swimming with Men Limited	Ordinary £1	100
Met Film Special Projects Limited	Ordinary £1	100
How to Change the World Limited	Ordinary £1	100
Emu Rock Limited	Ordinary £1	51
The Wine Film Limited	Ordinary £1	100
Last Breath Limited	Ordinary £1	51
The Reason I Jump Limited	Ordinary £1	100

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

12. Investments (continued)

	Class of share	Percentage of shares held
Dormant and Associate Companies		
MF Education Limited	Ordinary £1	100
MF School Limited	Ordinary £1	100
Men Who Swim Limited	Ordinary £1	50

13. Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	2,187	6,645	—	—
Work in progress	285,447	597,546	—	—
	<u>287,634</u>	<u>604,191</u>	<u>—</u>	<u>—</u>

14. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	3,380,110	2,975,030	4,386	2,160
Amounts owed by group undertakings	—	—	5,959,804	5,367,257
Deferred tax asset	952,990	952,990	—	—
Called up share capital not paid	—	800	—	—
Prepayments and accrued income	511,988	4,748,103	—	26,507
Other debtors	499,507	317,713	3,181	2,094
	<u>5,344,595</u>	<u>8,994,636</u>	<u>5,967,371</u>	<u>5,398,018</u>

15. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	926,821	914,576	10,056	20,258
Amounts owed to group undertakings	—	—	76,423	76,422
Accruals and deferred income	10,275,546	8,895,045	19,432	24,063
Corporation tax	—	67	—	—
Social security and other taxes	103,252	705,446	5,706	4,036
Obligations under finance leases and hire purchase contracts	106,348	97,247	—	—
Other creditors	395,744	78,727	137,886	103
	<u>11,807,711</u>	<u>10,691,108</u>	<u>249,503</u>	<u>124,882</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Obligations under finance leases and hire purchase contracts	57,587	56,015	—	—
Shareholders loan	76,560	—	—	—
Accruals and deferred income	—	3,045,768	—	—
Other creditors	—	119,462	—	—
	<u>134,147</u>	<u>3,221,245</u>	<u>—</u>	<u>—</u>

17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	106,350	92,247	—	—
Later than 1 year and not later than 5 years	57,587	56,015	—	—
	<u>163,937</u>	<u>148,262</u>	<u>—</u>	<u>—</u>

18. Provisions

Group	Deferred tax (note 19) £
At 1 October 2018 and 30 September 2019	<u>3,775</u>

The company does not have any provisions.

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Included in debtors (note 14)	952,990	952,990	—	—
Included in provisions (note 18)	(3,775)	(3,775)	—	—
	<u>949,215</u>	<u>949,215</u>	<u>—</u>	<u>—</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £172,319 (2018: £121,818).

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

21. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.01 each	18,125,714	181,257.14	1,251,114	12,511.14
B Ordinary shares of £0.0001 each	8,705,812	870.58	–	–
	<u>26,831,526</u>	<u>182,127.72</u>	<u>1,251,114</u>	<u>12,511.14</u>

22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	837,408	347,310	–	–
Later than 1 year and not later than 5 years	<u>775,334</u>	<u>609,371</u>	<u>–</u>	<u>–</u>
	<u>1,612,742</u>	<u>956,681</u>	<u>–</u>	<u>–</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

24. Related party transactions

Company

Accrued interest of £280,744 (2018: £489,362) was due to the shareholders of Met Media Ltd during the year.

The group made payments during the year to Heather Rabbatts, who held office during the year for both Met Media Ltd and Met Film Ltd for the provision of professional services amounting to £32,000 (2018: £28,000). The amount outstanding including accruals as at year end was £12,000 (2018: £nil)

The group made payments during the year to John Woodward, who held office during the year for both Met Media Ltd and Met Film Ltd for the provision of professional services amounting to £35,000 (2018: £35,000) and the amount outstanding including accruals as at year end was £9,189 (2018: £10,500). In the prior year the company made payments for the services of John Woodward to Hoegh Capital Partners Limited amounting to £35,000 and the amount outstanding including accruals as at year end was £10,500.

There were a number of transactions relating to loans by a subsidiary of the group's largest shareholder, Arts Alliance Limited:

Interest payable for the year ended:

	Group £	Company £
30 September 2019	280,744	280,744
30 September 2018	489,362	489,362

Interest paid during the year ended:

30 September 2019	100,479	100,479
30 September 2018	37,344	37,344

25. Controlling party

The ultimate controlling party is considered to be Nationwide Leisure Limited, a company registered in the British Virgin Islands. The ultimate parent company of Nationwide Leisure Limited is Cheetah International Investments Limited, a company registered in the British Virgin Islands.