

COMPANY REGISTRATION NUMBER: 06772474

Met Media Limited
Financial Statements
30 September 2018



Met Media Limited
Financial Statements
Year ended 30 September 2018

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Met Media Limited

Officers and Professional Advisers

The board of directors

G J Roberts
H Rabbatts
T C Hoegh
D Howell
J Woodward
J Persey
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 2018

Fair review of the business

The Directors of the business are satisfied with the results for the year ended 30 September 2018.

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

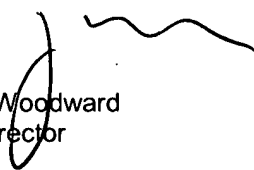
Subsequent to year end the majority shareholder forgave a significant proportion of the shareholder loans, and the business raised additional equity. Accordingly the company and group are in a robust position to move forwards and the accounts have been prepared on a going concern basis.

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.

This report was approved by the board of directors on 27 June 2019 and signed on behalf of the board by:



J Woodward
Director

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

Met Media Limited

Directors' Report

Year ended 30 September 2018

The directors present their report and the financial statements of the group for the year ended 30 September 2018.

Directors

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

H Rabbatts	
T C Hoegh	
J Woodward	
J Persey	
T F Theobalds	
G J Roberts	(Appointed 4 October 2017)
D Howell	(Appointed 2 January 2019)
C Maples	(Resigned 1 July 2018)

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)*

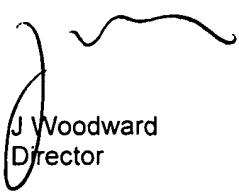
Year ended 30 September 2018

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 27th June and signed on behalf of the board by: 2019



J Woodward
Director

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

Met Media Limited

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

Year ended 30 September 2018

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 2018 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 2018 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 2018

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 2018

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 2018

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

27/6/19

Met Media Limited
Consolidated Statement of Comprehensive Income
Year ended 30 September 2018

	Note	2018 £	2017 £
Turnover	4	7,882,030	7,835,205
Cost of sales		(2,851,753)	(3,315,026)
Gross profit		<u>5,030,277</u>	<u>4,520,179</u>
Administrative expenses		(7,732,611)	(6,436,490)
Operating loss	5	(2,702,334)	(1,916,311)
Other interest receivable and similar income	8	–	110
Interest payable and similar expenses	9	(536,324)	(547,351)
Loss before taxation		<u>(3,238,658)</u>	<u>(2,463,552)</u>
Tax on loss	10	–	(10,090)
Loss for the financial year and total comprehensive income		<u>(3,238,658)</u>	<u>(2,473,642)</u>
Loss for the financial year attributable to:			
The owners of the parent company		(3,299,999)	(2,637,466)
Non-controlling interests		61,341	163,824
		<u>(3,238,658)</u>	<u>(2,473,642)</u>

All the activities of the group are from continuing operations.

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited
Consolidated Statement of Financial Position
30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	176,438	550,653
Tangible assets	12	1,071,261	1,380,884
Investments	13	11,210	11,210
		<u>1,258,909</u>	<u>1,942,747</u>
Current assets			
Stocks	14	604,191	2,518
Debtors	15	8,994,636	8,175,521
Cash at bank and in hand		1,358,372	876,573
		<u>10,957,199</u>	<u>9,054,612</u>
Creditors: amounts falling due within one year	16	10,691,108	8,212,405
Net current assets		<u>266,091</u>	<u>842,207</u>
Total assets less current liabilities		<u>1,525,000</u>	<u>2,784,954</u>
Creditors: amounts falling due after more than one year	17	3,221,245	3,474,541
Provisions			
Taxation including deferred tax	19	3,775	3,775
Net liabilities		<u>(1,700,020)</u>	<u>(693,362)</u>
Capital and reserves			
Called up share capital	22	12,611	5,967
Share premium account	23	2,526,456	785,351
Shareholder loan	23	5,301,105	4,816,854
Profit and loss account	23	(9,484,042)	(6,184,043)
Equity attributable to the owners of the parent company		<u>(1,643,870)</u>	<u>(575,871)</u>
Non-controlling interests		<u>(56,150)</u>	<u>(117,491)</u>
		<u>(1,700,020)</u>	<u>(693,362)</u>

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

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited

Consolidated Statement of Financial Position *(continued)*

30 September 2018

These financial statements were approved by the board of directors and authorised for issue on 27th June 2019 and are signed on behalf of the board by:



J Woodward
Director

Company registration number: 06772474

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited
Company Statement of Financial Position
30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	13	800,741	800,741
Current assets			
Debtors	15	5,398,018	3,820,736
Cash at bank and in hand		4,494	393
		<u>5,402,512</u>	<u>3,821,129</u>
Creditors: amounts falling due within one year	16	<u>124,882</u>	<u>174,274</u>
Net current assets		<u>5,277,630</u>	<u>3,646,855</u>
Total assets less current liabilities		<u>6,078,371</u>	<u>4,447,596</u>
Net assets		<u>6,078,371</u>	<u>4,447,596</u>
Capital and reserves			
Called up share capital	22	12,511	5,967
Share premium account	23	2,526,456	785,351
Shareholder loan	23	5,301,105	4,816,854
Profit and loss account	23	(1,761,701)	(1,160,576)
Shareholders funds		<u>6,078,371</u>	<u>4,447,596</u>

The loss for the financial year of the parent company was £601,125 (2017: £228,785).

These financial statements were approved by the board of directors and authorised for issue on 27th June 2019, and are signed on behalf of the board by:


J Woodward
Director

Company registration number: 06772474

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited
Consolidated Statement of Changes in Equity
Year ended 30 September 2018

	Called up share capital £	Share premium account £	Shareholder loan £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non controlling interests £	Total £
At 1 October 2016	4,023	265,986	3,754,243	(3,546,577)	477,675	(281,315)	196,360
Loss for the year				(2,637,466)	(2,637,466)	163,824	(2,473,642)
Total comprehensive income for the year	-	-	-	(2,637,466)	(2,637,466)	163,824	(2,473,642)
Issue of shares	1,944	519,365	-	-	521,309	-	521,309
Increase in shareholder loan	-	-	1,062,611	-	1,062,611	-	1,062,611
Total investments by and distributions to owners	1,944	519,365	1,062,611	-	1,583,920	-	1,583,920
At 30 September 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)

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

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited
Consolidated Statement of Changes in Equity *(continued)*
Year ended 30 September 2018

	Called up share capital £	Share premium account £	Shareholder loan £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non controlling interests £	Total £
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)

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited
Company Statement of Changes in Equity
Year ended 30 September 2018

	Called up share capital £	Share premium account £	Shareholder loan £	Profit and loss account £	Total £
At 1 October 2016	4,023	265,986	1,065,431	(931,791)	403,649
Loss for the year	—	—	—	(228,785)	(228,785)
Total comprehensive income for the year	—	—	—	(228,785)	(228,785)
Issue of shares	1,944	519,365	—	—	521,309
Increase in shareholder loan	—	—	3,751,423	—	3,751,423
Total investments by and distributions to owners	1,944	519,365	3,751,423	—	4,272,732
At 30 September 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	<u>12,511</u>	<u>2,526,456</u>	<u>5,301,105</u>	<u>(1,761,701)</u>	<u>6,078,371</u>

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited
Consolidated Statement of Cash Flows
Year ended 30 September 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(3,238,658)	(2,473,642)
<i>Adjustments for:</i>		
Depreciation of tangible assets	484,774	503,449
Amortisation of intangible assets	393,262	390,404
Other interest receivable and similar income	–	(3,617)
Interest payable and similar expenses	536,324	563,904
Loss on disposal of tangible assets	–	2,049
Tax on loss	–	10,090
Accrued (income)/expenses	3,170,827	1,402,945
<i>Changes in:</i>		
Stocks	(601,673)	(464)
Trade and other debtors	(1,498,290)	(744,147)
Trade and other creditors	(186,304)	297,073
Cash generated from operations	(939,738)	(51,956)
Interest paid	(536,324)	(563,904)
Interest received	–	3,617
Tax received/(paid)	67	(252,590)
Net cash used in operating activities	(1,475,995)	(864,833)
Cash flows from investing activities		
Purchase of tangible assets	(200,626)	(336,194)
Proceeds from sale of tangible assets	25,475	2,099
Purchase of intangible assets	(19,047)	(138,277)
Net cash used in investing activities	(194,198)	(472,372)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,747,749	521,309
Payments of finance lease liabilities	(23,993)	(35,450)
Other financing cash flow adjustment	428,236	1,062,611
Net cash from financing activities	2,151,992	1,548,470
Net (decrease)/increase in cash and cash equivalents	481,799	211,265
Cash and cash equivalents at beginning of year	876,573	665,308
Cash and cash equivalents at end of year	1,358,372	876,573

The notes on pages 17 to 30 form part of these financial statements.

Met Media Limited

Notes to the Financial Statements

Year ended 30 September 2018

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.

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.

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.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

3. Accounting policies *(continued)*

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.

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.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

3. Accounting policies *(continued)*

Goodwill *(continued)*

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.

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.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

3. Accounting policies *(continued)*

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.

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.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

4. Turnover

Turnover arises from:

	2018 £	2017 £
Course Fees	<u>7,882,030</u>	<u>7,835,205</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:

	2018 £	2017 £
United Kingdom	6,941,999	6,791,746
Overseas	<u>940,031</u>	<u>1,043,459</u>
	<u>7,882,030</u>	<u>7,835,205</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018 £	2017 £
Amortisation of intangible assets	393,262	390,404
Depreciation of tangible assets	481,679	503,449
Loss on disposal of tangible assets	–	2,049
Impairment of trade debtors	50,635	115,661
Foreign exchange differences	<u>(906)</u>	<u>714</u>

6. Staff costs

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

	2018 No.	2017 No.
Administrative staff	<u>70</u>	<u>62</u>

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

	2018 £	2017 £
Wages and salaries	2,948,151	2,216,193
Social security costs	313,127	238,859
Other pension costs	<u>121,818</u>	<u>112,119</u>
	<u>3,383,096</u>	<u>2,567,171</u>

7. Directors' remuneration

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

	2018 £	2017 £
Remuneration	<u>444,281</u>	<u>462,638</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

7. Directors' remuneration *(continued)*

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

	2018	2017
	£	£
Aggregate remuneration	<u>191,681</u>	<u>171,824</u>

8. Other interest receivable and similar income

	2018	2017
	£	£
Interest on cash and cash equivalents	<u>–</u>	<u>110</u>

9. Interest payable and similar expenses

	2018	2017
	£	£
Interest on banks loans and overdrafts	–	272,441
Interest on obligations under finance leases and hire purchase contracts	32,403	32,338
Other interest payable and similar charges	<u>503,921</u>	<u>242,572</u>
	<u>536,324</u>	<u>547,351</u>

10. Tax on loss

Major components of tax income

	2018	2017
	£	£
Deferred tax:		
Origination and reversal of timing differences	<u>–</u>	<u>10,090</u>
Tax on loss	<u>–</u>	<u>10,090</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

11. Intangible assets

Group	Goodwill £	Development costs £	Total £
Cost			
At 1 October 2017	1,764,244	740,063	2,504,307
Additions	–	19,047	19,047
At 30 September 2018	<u>1,764,244</u>	<u>759,110</u>	<u>2,523,354</u>
Amortisation			
At 1 October 2017	1,485,480	468,174	1,953,654
Charge for the year	278,764	114,498	393,262
At 30 September 2018	<u>1,764,244</u>	<u>582,672</u>	<u>2,346,916</u>
Carrying amount			
At 30 September 2018	<u>–</u>	<u>176,438</u>	<u>176,438</u>
At 30 September 2017	<u>278,764</u>	<u>271,889</u>	<u>550,653</u>

The company has no intangible assets.

12. Tangible assets

Group	Film Making Equipment £	Computer Equipment £	Fixtures and fittings £	Office Equipment £	Total £
Cost					
At 1 October 2017	1,475,668	1,977,705	1,610,499	200,640	5,264,512
Additions	33,404	132,443	31,871	2,908	200,626
Disposals	–	(28,440)	(130)	–	(28,570)
At 30 September 2018	<u>1,509,072</u>	<u>2,081,708</u>	<u>1,642,240</u>	<u>203,548</u>	<u>5,436,568</u>
Depreciation					
At 1 October 2017	1,109,859	1,518,457	1,093,335	161,977	3,883,628
Charge for the year	107,643	214,883	138,549	23,699	484,774
Disposals	–	(2,965)	(130)	–	(3,095)
At 30 September 2018	<u>1,217,502</u>	<u>1,730,375</u>	<u>1,231,754</u>	<u>185,676</u>	<u>4,365,307</u>
Carrying amount					
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>
At 30 September 2017	<u>365,809</u>	<u>459,248</u>	<u>517,164</u>	<u>38,663</u>	<u>1,380,884</u>

The company has no tangible assets.

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

13. Investments

Group	Other investments other than loans £
Cost	
At 1 October 2017 and 30 September 2018	<u>11,210</u>
Impairment	
At 1 October 2017 and 30 September 2018	<u>—</u>
Carrying amount	
At 1 October 2017 and 30 September 2018	<u>11,210</u>
At 30 September 2017	<u>11,210</u>
Company	Loans to group undertakings £
Cost	
At 1 October 2017 and 30 September 2018	<u>800,741</u>
Impairment	
At 1 October 2017 and 30 September 2018	<u>—</u>
Carrying amount	
At 1 October 2017 and 30 September 2018	<u>800,741</u>
At 30 September 2017	<u>800,741</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

13. Investments *(continued)*

COMPANY:

	2018 £	2017 £
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:

	2018 £	2017 £
Met Film Production Ltd	1	1
Met Film School Ltd	1	1
	<u>2</u>	<u>2</u>

GROUP:

	Loans in group under-takings £	Shares in group under-takings £	Associate under-takings £	Total £
Opening and closing balance	<u>11,060</u>	<u>100</u>	<u>50</u>	<u>11,210</u>

Subsidiary undertakings

The following are subsidiary undertakings of the company, all registered in England and Wales:

	Shareholding %	Total ordinary share capital £
Met Film Limited	95	1,931
Met Film School Limited	95	1
Met Film Operations Limited	100	1
Met Film Post Limited	95	100
Met Film Production Limited	100	1
Met Film Sales Limited	100	100
Met Feature Film Limited	100	1
Donor 150 Limited	100	100
Town of Runners Limited	100	100
Met Go 2 Limited	100	100
Hip Hop Hoax Limited	100	100
After the Revolution Limited (Formerly Met Go Limited)	100	100
Talent Code Limited	50	100

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2018

13. Investments (continued)

Swimming with Men Limited (Formerly All Good Things The Movie Limited)	100	100
MF Education Ltd	100	–
MF School Ltd	100	–
Met Film Special Projects Limited	95	100
Animated Mind Ltd	100	–
Screen Space Ltd	100	–
How to Change the World Limited	51	200
Emu Rock Limited	100	100
The Wine Film Limited	100	100
Last Breath Limited	51	100
The Reason I Jump Limited	100	100

The aggregate of the share capital and reserves as at 30 September 2018 and of the profit or loss for the year ended 30 September 2018 for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Met Film Ltd	(2,170,245)	(1,418,446)
Met Film School Ltd	6,467,332	241,892
Met Film Operations Ltd	(7,079,228)	(1,138,245)
Met Film Post Ltd	(1,112,681)	(4,020)
Met Film Production Ltd	(696,810)	(74,906)
Met Film Sales Ltd	(137,126)	34,338
Met Feature Film Ltd	(2,163,634)	(3,475)
Donor 150 Ltd	5,728	–
Town of Runners Ltd	2,321	–
Met Go 2 Ltd	(89,908)	(3)
Hip Hop Hoax Ltd	82	(9)
After the Revolution Limited (Formerly Met Go Ltd)	74	(350)
Talent Code Ltd	(29,484)	(10,839)
Swimming with Men Limited (Formerly All Good Things the Movie Ltd)	(127,220)	–
Animated Mind Ltd	100	–
Screen Space Ltd	100	–
MF Education Ltd	100	–
MF School Ltd	100	–
Met Film Special Projects Ltd	(7,845)	–
How to Change the World Ltd	329	(7)
Emu Rock Ltd	(48,540)	693
The Wine Film Ltd	157,716	(121)
Last Breath Ltd	100	–
The Reason I Jump Ltd	100	–

Associate Undertakings

The following entity was an associate undertaking of the group:

Men Who Swim Ltd (Registered in England) 50% of 100 £1 Ordinary shares

Met Media Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2018

13. Investments (continued)

The aggregate of the share capital and reserves as at 30 September 2018 and of the profit or loss for the period ended 30 September 2018 for the associate undertaking was as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Men Who Swim Ltd	1,634	(7)

14. Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials and consumables	6,645	2,518	—	—
Work in progress	597,546	—	—	—
	<u>604,191</u>	<u>2,518</u>	<u>—</u>	<u>—</u>

15. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	2,975,030	1,465,525	2,160	—
Amounts owed by group undertakings	—	3,796	5,367,257	3,791,092
Deferred tax asset	952,990	952,990	—	—
Called up share capital not paid	800	—	—	54
Prepayments and accrued income	4,748,103	5,427,224	26,507	27,496
Other debtors	317,713	325,986	2,094	2,094
	<u>8,994,636</u>	<u>8,175,521</u>	<u>5,398,018</u>	<u>3,820,736</u>

16. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	914,576	1,007,928	20,258	37,590
Amounts owed to group undertakings	—	—	76,422	109,009
Accruals and deferred income	8,895,045	6,403,339	24,063	26,917
Corporation tax	67	—	—	—
Social security and other taxes	705,446	319,109	4,036	599
Obligations under finance leases and hire purchase contracts	97,247	123,802	—	—
Other creditors	78,727	358,227	103	159
	<u>10,691,108</u>	<u>8,212,405</u>	<u>124,882</u>	<u>174,274</u>

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Obligations under finance leases and hire purchase contracts	56,015	53,453	-	-
Accruals and deferred income	3,045,768	3,398,261	-	-
Other creditors	119,462	22,827	-	-
	<u>3,221,245</u>	<u>3,474,541</u>	<u>-</u>	<u>-</u>

18. Finance leases and hire purchase contracts

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	92,247	123,802	-	-
Later than 1 year and not later than 5 years	56,015	53,453	-	-
	<u>148,262</u>	<u>177,255</u>	<u>-</u>	<u>-</u>

19. Provisions

Group	Deferred tax (note 20) £
At 1 October 2017 and 30 September 2018	<u>3,775</u>

The company does not have any provisions.

20. Deferred tax

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Included in debtors (note 15)	952,990	952,990	-	-
Included in provisions (note 19)	(3,775)	(3,775)	-	-
	<u>949,215</u>	<u>949,215</u>	<u>-</u>	<u>-</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £121,818 (2017: £112,119).

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

22. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>1,251,114</u>	<u>12,511.14</u>	<u>596,700</u>	<u>5,967.00</u>

23. 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.

24. Operating leases

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	347,310	462,092	-	-
Later than 1 year and not later than 5 years	<u>609,371</u>	<u>929,757</u>	-	-
	<u>956,681</u>	<u>1,391,849</u>	-	-

Met Media Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

25. Related party transactions

Company

Accrued interest of £489,362 (2017: £70,177) 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 £28,000 (2017: £24,000). The amount outstanding including accruals as at year end was £nil (2017: £24,000)

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 and the amount outstanding including accruals as at year end was £10,500. In the prior year the company made payments for the services of John Woodward to Hoegh Capital Partners Limited amounting to £32,083 and the amount outstanding including accruals as at year end was £2,917.

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 2018	489,362	489,362
30 September 2017	70,177	70,177

Interest paid during the year ended:

30 September 2018	37,344	37,344
30 September 2017	34,875	34,875

26. 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.