

**METROPOLITAN NEW MEDIA LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2009**

Registered in the United Kingdom  
registration number 3095320

Registered Office  
31 Jewry Street  
London  
EC3N 2EY

WEDNESDAY



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**Metropolitan New Media Limited**  
**Directors' Report and Financial Statements**  
**for the year ended 31 July 2009**

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# **Metropolitan New Media Limited**

## **Directors' Report**

### **Activities**

Metropolitan New Media Limited is a company limited by shares and a wholly owned subsidiary of London Metropolitan University

From 1 April 2003, Metropolitan New Media Limited has been semi-dormant. The company's purpose is to hold a long lease of a building at Kingsland Road, Shoreditch, which it is proposed, will be assigned to London Metropolitan University during the accounting year 2009/10. The company has no other proposed developments and is expected to become dormant once the lease has been assigned.

Use of the building is managed by the University, which occupies part of the building itself and earns income from third parties who occupy the remaining parts with its agreement. The company makes a charge to the University for its use of the whole building and this charge was its entire income in 2008/09.

### **Financial Position**

The Financial Statements, which follow, show a loss of £21,000 (2007/08 loss of £23,000). All the income earned during the year is from the space charge to the University.

Payment of a dividend is not recommended.

### **Directors**

The directors who served during the year were as follows:

B A Roper – Resigned 17 March 2009

J P McParland – Appointed 17 March 2009 (resigned 26 January 2010)

Professor Malcolm Gilles was appointed as director on 25 January 2010.

### **Directors' Responsibilities for the preparation of the Financial Statements**

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and 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.

## **Metropolitan New Media Limited**

### **Directors' Report**

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act. 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.

In so far as the Directors are aware there is no relevant audit information of which the group's auditors are unaware, and the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Act.

#### **Small Entity Exemptions**

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Directors and signed by order of the Board



J P McParland  
Company Secretary

166-220 Holloway Road  
London  
N7 8DB

Date: 14 April

2010

## **Metropolitan New Media Limited**

### **Report of the Independent Auditors to the Members of Metropolitan New Media Limited**

**(Registration Number 3095320)**

We have audited the financial statements of Metropolitan New Media Limited for the year ended 31 July 2009, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## **Metropolitan New Media Limited**

### **Report of the Independent Auditors to the Members of Metropolitan New Media Limited**


#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Carol Rudge  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

Date 21 April 2010

## **Metropolitan New Media Limited**

### **Profit and Loss Account for the year ended 31 July 2009**

	Notes	2009 £'000	2008 £'000
<b>Continuing Operations</b>			
Administrative expenditure		(57)	(64)
Other operating income		36	41
<b>(Loss) on ordinary activities before and after taxation for the year</b>	2, 7, 8	<u>(21)</u>	<u>(23)</u>

The company has no recognised gains or losses other than those dealt with in the Profit and Loss Account

The notes on pages 8 to 11 form part of the financial statements



# Metropolitan New Media Limited

## Balance Sheet as at 31 July 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed Assets</b>			
Tangible assets	4, 5	970	989
<b>Creditors: Amounts falling due within one year</b>			
Due to group undertakings	(624)	(634)	
Accruals and deferred income	(67)	(55)	
<b>Net Current Liabilities</b>		(691)	(689)
<b>Total Assets less Current Liabilities</b>		279	300
<b>Represented by</b>			
<b>Capital and Reserves</b>			
Called up share capital	6	3,485	3,485
Profit & Loss account	7	(3,206)	(3,185)
<b>Shareholders' Funds</b>	8	279	300

The financial statements have been prepared in accordance with the special provisions of Part 15 Companies Act 2006 relating to small entities and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board of Directors and signed on its behalf by



Professor Malcolm Gillies  
Director

Date 14 April 2010



# **Metropolitan New Media Limited**

## **Notes to the Financial Statements for the year ended 31 July 2009**

### **1. Principal Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared on a historical costs basis as modified by the revaluation of certain assets and in compliance with applicable accounting standards. The accounting policies remain unchanged from the prior year.

#### **Turnover and Cost of Sales**

Metropolitan New Media Limited is semi-dormant and has no trading income or cost of sales.

#### **Income Recognition**

All income is included in the financial statements in accordance with the accruals concept. Income is recognised in the Profit and Loss Account at the same time as the expenditure to which it relates becomes payable. Any income received in advance is carried forward as deferred income for recognition in the future period to which it relates.

#### **Tangible Fixed Assets**

The company's sole asset is a lease of a building. Assets held under leasing arrangements that transfer substantially all of the risks and rewards of ownership to the company are capitalised and amortised over the shorter of the lease term or the estimated useful economic life. The annual payment relating to the leased premises is disclosed in note 5.

The leased building as disclosed in notes 4 and 5 is included in the balance sheet at the same valuation as in the 1998/99 accounts, the company having decided, as permitted under the transitional rules of FRS15, not to adopt a policy of ongoing revaluation.

#### **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 classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant 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 classified as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### **Cash Flow Statement**

The Company has taken advantage of the exemption granted by FRS1 not to publish a cash flow statement. The Company, as a wholly owned subsidiary of London Metropolitan University, has taken advantage of the exemption granted by FRS8 from disclosure of transactions with other group members who qualify as related parties.

# Metropolitan New Media Limited

## Notes to the Financial Statements for the year ended 31 July 2009

	2009 £'000	2008 £'000
<b>2. Operating Loss for the period</b>		
Operating loss for the period is stated after charging / (crediting)		
Auditors' remuneration	2	2
Depreciation of tangible assets (leased)	19	20
Rent payable	7	12
Rental income	(36)	(41)

### 3. Directors and Employees

#### Directors' emoluments

There were no director's emoluments throughout the year (2007/08 Nil)

#### Employee costs (including directors' emoluments)

No employee costs were incurred by the company during the year or during the previous year

### 4. Tangible Fixed Assets

	Leasehold Buildings £'000
<b>Cost / Valuation</b>	
At 1 August 2008	1,175
<b>At 31 July 2009</b>	<b>1,175</b>
<b>Depreciation</b>	
At 1 August 2008	186
Charge for the year	19
<b>At 31 July 2009</b>	<b>205</b>
<b>Net Book Value</b>	
<b>At 31 July 2009</b>	<b>970</b>
At 1 August 2008	989

# Metropolitan New Media Limited

## Notes to the Financial Statements for the year ended 31 July 2009

### 5. Leasehold Buildings

The company occupies premises which are held on a 60 year lease from Hackney Community College. The lease premium, which was paid by instalments during 1997/98 and 1998/99, was £2,085,000. On the basis of advice from a professional valuer (Duncan Preston FRICS of Jones Lang Wootton), the value of the lease was assessed at £1,175,000 in preparing the 1997/98 accounts. The difference between the lease premium and assessed value was charged to the profit and loss account in 1997/98 (£639,000) and 1998/99 (£271,000). It is intended to assign the lease to London Metropolitan University during the accounting year 2009/10.

If the lease had been included in the financial statements at historical cost, then its carrying amount at 31 July 2009 (historical cost less cumulative depreciation calculated on the basis of historical cost) would have been £1,721,000.

	2009 £'000	2008 £'000
<b>6. Called up Share Capital</b>		
Authorised 4,000,000 Ordinary shares of £1	4,000	4,000
Allotted, called up and fully paid 3,485,010 Ordinary shares of £1	3,485	3,485
	2009 £'000	2008 £'000
<b>7. Movement on Reserves</b>		
(Loss) at 1 August	(3,185)	(3,162)
(Loss) for the year	(21)	(23)
<b>Retained (loss) at 31 July</b>	<b>(3,206)</b>	<b>(3,185)</b>
	2009 £'000	2008 £'000
<b>8. Reconciliation of Movement in Shareholders' Funds</b>		
As at 1 August	300	323
(Loss) for the year	(21)	(23)
<b>As at 31 July</b>	<b>279</b>	<b>300</b>
	2009 £'000	2008 £'000
<b>9. Financial Commitments</b>		
Annual commitments under non-cancellable leases Expiring in over five years	10	10

The above commitments relate to the agreement with Hackney Community College

## Metropolitan New Media Limited

### Notes to the Financial Statements for the year ended 31 July 2009

#### 10. Taxation

A deferred tax asset has not been recognised because the directors do not believe that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted

#### Factors affecting tax charge for the period

The tax assessed for the period differs from the small companies rate applying in the UK (21%, 2007/08 20%)

The differences are explained below

	2009 £'000	2008 £'000
(Loss) on ordinary activities multiplied by tax rate in the UK (21%, 2007/08 20%)	(4)	(4)
Effects of Expenses not deductible for tax purposes	4	4
<b>Current tax charge</b>	<u>-</u>	<u>-</u>

#### 11. Related Party Disclosures

##### Transactions with Other Group Companies

The company has taken advantage of an exemption in FRS 8 by which a 100% subsidiary undertaking does not need to disclose transactions with entities that are part of the same group and its results are included in the publicly available financial statements of the group

#### 12 Ultimate Controlling Undertaking

The parent and the ultimate controlling undertaking is London Metropolitan University. The only group of which Metropolitan New Media Limited is a member is the London Metropolitan University group. Copies of the consolidated financial statements for London Metropolitan University can be obtained from 31 Jewry Street, London, EC3N 2EY.