

REGISTERED NUMBER: 04171401 (England and Wales)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
For The Period 1 October 2017 to 31 December 2018
for
Metia Group Limited**

**Contents of the Consolidated Financial Statements
For The Period 1 October 2017 to 31 December 2018**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Consolidated Income Statement	8
Consolidated Other Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Statement of Cash Flows	15
Notes to the Consolidated Financial Statements	16

Company Information
For The Period 1 October 2017 to 31 December 2018

DIRECTORS:	S A Ellis P Burcher
REGISTERED OFFICE:	77 Shaftesbury Avenue London W1D 5DU
REGISTERED NUMBER:	04171401 (England and Wales)
AUDITORS:	Giess Wallis Crisp LLP Registered Auditor 10-12 Mulberry Green Old Harlow Essex CM17 0ET
BANKERS:	Coutts & Co 188 Fleet Street London EC4A 2HT

**Group Strategic Report
For The Period 1 October 2017 to 31 December 2018**

The directors present their strategic report of the Company and the Group for the period ended 31st December 2018.

BUSINESS OVERVIEW

Founded in 1988, Metia is an independent marketing agency serving leading global brands worldwide. Our purpose is to be an essential business partner to client organisations by providing customer-focused marketing that is authentic, innovative and measurable.

We do this at scale, using technology platforms and audience expertise. Metia is an international business with offices in London, Seattle, Austin, and Singapore. In the past two years we have successfully delivered marketing programmes into more than 88 countries and in 39 languages.

Today we employ over 120 highly skilled marketing professionals including developers, designers, UX specialists, copywriters, editors, project managers, data analysts, systems architects, insight, analytics and marketing consultants. Metia extends its delivery capability through our Global Content Network, a retained team of subject matter specialists. Our multi-disciplinary teams enable us to deliver highly integrated and effective performance marketing campaigns at scale.

REVIEW OF THE BUSINESS

Metia has a record of profitable organic growth and expansion. This is made possible by our enviable record of maintaining long-term client relationships, evidenced by an average tenure with our top eight global clients which remains in excess of ten years, and also by attracting new client brands through our innovative and differentiated service offerings.

Total reported revenue grew to £16.61 million, a 2.53% increase on 2017 revenue of £16.20 million. This increase was driven by strong growth in our international operations across the United States, Asia and continental Europe which together grew by 4.3% to £11.18 million (2017: £10.72 million). UK revenue decreased slightly by 0.9% to £5.43 million from £5.48 million in 2017.

Metia continues to invest in talent and technology to support our core digital and demand marketing capabilities, and grow our client relationships. During the year, we extended our product offerings around Insight (data science and analytics), Demand and Content. Since the year end we have continued to augment these offerings and invested further in differentiated systems and tools to support them. Our Customer Resonance System (CRS) is being used by both existing and new clients, including some of the world's largest brands, to measure the gap between their corporate content and their customer's conversations. Our Performance Benchmark Index (PBX) has been used at scale to drive substantial performance improvement in multi-country digital marketing campaigns.

We have recruited specialist experts to work with our clients and teams to integrate these capabilities into customer programmes. We continue to grow our team and capabilities in these and other new areas of innovation.

Our underlying loss, as measured on an EBITDA basis (operating loss excluding tax, depreciation and interest), was £0.59 million (2017: £0.91 million profit). Reported operating loss was £0.82 million for the year (2017: £0.73 million profit).

Metia's balance sheet remains strong with cash balances at year end of £1.92 million (2017: £3.10 million), zero debt and a liquidity cover of 241.3% (2017 286.4%).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group seeks to maximise revenue and profitability while taking a sensible approach to risk. We aim to be diverse in our revenue streams, including the contributions from individual clients and geographic territories. We manage our cash reserves conservatively, retaining considerable positive balances.

EMPLOYEE INVOLVEMENT AND EQUAL OPPORTUNITIES

Metia places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. Metia is an equal opportunities employer and does not discriminate against any current or potential employees on any basis.

We are hugely grateful for the hard work of all the talented Metia people around the world over the last fifteen months; their passion, creativity and innovation makes us what we are.

**Group Strategic Report
For The Period 1 October 2017 to 31 December 2018**

OUTLOOK

Our reputation as a thought leader in our areas of specialization continues to gain recognition in the market. We continue to benefit from the broader changes in the marketplace, led by digital transformation in all industries, driving toward greater use of data led insight and digital techniques to improve the return on investment from marketing programmes.

ON BEHALF OF THE BOARD:

S A Ellis - Director

20 September 2019

**Report of the Directors
For The Period 1 October 2017 to 31 December 2018**

The directors present their report with the financial statements of the company and the group for the period 1 October 2017 to 31 December 2018.

DIVIDENDS

No dividends are to be paid in the period ended 31st December 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2017 to the date of this report.

S A Ellis
P Burcher

Other changes in directors holding office are as follows:

L W McKeever - resigned 19 April 2018
M J White - appointed 9 February 2018

M J White ceased to be a director after 31 December 2018 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and the group and of 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 judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Giess Wallis Crisp LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S A Ellis - Director

20 September 2019

Opinion

We have audited the financial statements of Metia Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2018 which comprise the Consolidated Income Statement, Consolidated Other 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 Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, 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 Financial Reporting Standard 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 affairs as at 31 December 2018 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' 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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Group Strategic Report or the Report of the Directors.

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 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Michael Wallis FCA (Senior Statutory Auditor)
for and on behalf of Giess Wallis Crisp LLP
Registered Auditor
10-12 Mulberry Green
Old Harlow
Essex
CM17 0ET

20 September 2019

Consolidated Income Statement
For The Period 1 October 2017 to 31 December 2018

		Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
	Notes		
TURNOVER	3	16,609,135	16,198,908
Cost of sales		<u>5,092,864</u>	<u>4,138,881</u>
GROSS PROFIT		11,516,271	12,060,027
Administrative expenses		<u>12,559,724</u> <u>(1,043,453)</u>	<u>11,555,731</u> <u>504,296</u>
Other operating income		<u>227,600</u>	<u>227,600</u>
OPERATING (LOSS)/PROFIT	5	<u>(815,853)</u>	<u>731,896</u>
Interest receivable and similar income		<u>919</u>	<u>668</u>
(LOSS)/PROFIT BEFORE TAXATION		<u>(814,934)</u>	<u>732,564</u>
Tax on (loss)/profit	6	<u>19,641</u>	<u>103,807</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u><u>(834,575)</u></u>	<u><u>628,757</u></u>
(Loss)/profit attributable to: Owners of the parent		<u><u>(834,575)</u></u>	<u><u>628,757</u></u>

The notes form part of these financial statements

Consolidated Other Comprehensive Income
For The Period 1 October 2017 to 31 December 2018

	Notes	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
(LOSS)/PROFIT FOR THE PERIOD		(834,575)	628,757
OTHER COMPREHENSIVE INCOME			
Exchange rate movement		(54,655)	(119,719)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		(54,655)	(119,719)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(889,230)	509,038
Total comprehensive income attributable to: Owners of the parent		(889,230)	509,038

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2018

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		80,401		312,549
Investments	9		-		-
			80,401		312,549
CURRENT ASSETS					
Debtors	10	4,373,788		3,568,145	
Cash at bank and in hand	11	1,919,599		3,103,954	
		6,293,387		6,672,099	
CREDITORS					
Amounts falling due within one year	12	2,607,657		2,329,287	
NET CURRENT ASSETS			3,685,730		4,342,812
TOTAL ASSETS LESS CURRENT LIABILITIES			3,766,131		4,655,361
CAPITAL AND RESERVES					
Called up share capital	13		7,123		7,123
Capital redemption reserve	14		2,877		2,877
Other reserves	14		321,529		376,184
Retained earnings	14		3,434,602		4,269,177
SHAREHOLDERS' FUNDS			3,766,131		4,655,361

The financial statements were approved by the Board of Directors on 20 September 2019 and were signed on its behalf by:

S A Ellis - Director

Company Statement of Financial Position
31 December 2018

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		<u>24,718</u>		<u>24,718</u>
			24,718		24,718
CURRENT ASSETS					
Cash at bank	11	576,745		420,064	
CREDITORS					
Amounts falling due within one year	12	<u>208,179</u>		<u>58,179</u>	
NET CURRENT ASSETS			<u>368,566</u>		<u>361,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>393,284</u>		<u>386,603</u>
CAPITAL AND RESERVES					
Called up share capital	13		7,123		7,123
Capital redemption reserve	14		2,877		2,877
Retained earnings	14		<u>383,284</u>		<u>376,603</u>
SHAREHOLDERS' FUNDS			<u>393,284</u>		<u>386,603</u>
Company's profit/(loss) for the financial year			<u>6,681</u>		<u>(28,358)</u>

The financial statements were approved by the Board of Directors on 20 September 2019 and were signed on its behalf by:

S A Ellis - Director

Consolidated Statement of Changes in Equity
For The Period 1 October 2017 to 31 December 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 October 2016	7,123	3,640,420	2,877	495,903	4,146,323
Changes in equity					
Total comprehensive income	-	628,757	-	(119,719)	509,038
Balance at 30 September 2017	7,123	4,269,177	2,877	376,184	4,655,361
Changes in equity					
Total comprehensive income	-	(834,575)	-	(54,655)	(889,230)
Balance at 31 December 2018	7,123	3,434,602	2,877	321,529	3,766,131

The notes form part of these financial statements

Company Statement of Changes in Equity
For The Period 1 October 2017 to 31 December 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 October 2016	7,123	404,961	2,877	414,961
Changes in equity				
Total comprehensive income	-	(28,358)	-	(28,358)
Balance at 30 September 2017	<u>7,123</u>	<u>376,603</u>	<u>2,877</u>	<u>386,603</u>
Changes in equity				
Total comprehensive income	-	6,681	-	6,681
Balance at 31 December 2018	<u>7,123</u>	<u>383,284</u>	<u>2,877</u>	<u>393,284</u>

The notes form part of these financial statements

Consolidated Statement of Cash Flows
For The Period 1 October 2017 to 31 December 2018

		Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	(1,032,296)	959,042
Tax paid		(85,639)	(51,756)
Net cash from operating activities		<u>(1,117,935)</u>	<u>907,286</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(13,728)	(126,171)
Sale of tangible fixed assets		1,041	1,177
Exchange differences		3	2
Interest received		919	668
Net cash from investing activities		<u>(11,765)</u>	<u>(124,324)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,129,700)</u>	<u>782,962</u>
Cash and cash equivalents at beginning of period	2	3,103,954	2,440,711
Effect of foreign exchange rate changes		<u>(54,655)</u>	<u>(119,719)</u>
Cash and cash equivalents at end of period	2	<u>1,919,599</u>	<u>3,103,954</u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
For The Period 1 October 2017 to 31 December 2018

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
(Loss)/profit before taxation	(814,934)	732,564
Depreciation charges	221,533	173,127
Loss/(profit) on disposal of fixed assets	23,299	(1,177)
Finance income	(919)	(668)
	<u>(571,021)</u>	<u>903,846</u>
(Increase)/decrease in trade and other debtors	(842,611)	237,286
Increase/(decrease) in trade and other creditors	381,336	(182,090)
Cash generated from operations	<u>(1,032,296)</u>	<u>959,042</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 December 2018

	31/12/18 £	1/10/17 £
Cash and cash equivalents	<u>1,919,599</u>	<u>3,103,954</u>

Year ended 30 September 2017

	30/9/17 £	1/10/16 £
Cash and cash equivalents	<u>3,103,954</u>	<u>2,440,711</u>

**Notes to the Consolidated Financial Statements
For The Period 1 October 2017 to 31 December 2018**

1. STATUTORY INFORMATION

Metia Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The company and its subsidiaries comprise a medium sized group. The company has therefore prepared group accounts including 100% of its subsidiaries.

The company and its subsidiaries have uniform accounting policies. The subsidiary companies prepare their accounts in the local currency. The group accounts have been prepared using the rate ruling at the balance sheet date to retranslate the accounts into Sterling in accordance with FRS 102 in order to consolidate. The profit and loss is translated at an average rate throughout the year.

The group has also taken advantage of the reduced disclosure provisions of FRS8.

The group has also taken advantage of exemption, under the terms of Financial Reporting standard 8 Related party disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no estimates and assumptions which have had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 33% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11: 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Management of liquid resources

Liquid resources comprise cash at bank and in hand, debtors, demand deposits with banks and other financial institutions, short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

3. TURNOVER

The turnover and loss (2017 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
United Kingdom	5,430,621	5,481,445
Europe	-	337,972
Rest of the World	11,178,514	10,379,491
	<u>16,609,135</u>	<u>16,198,908</u>

4. EMPLOYEES AND DIRECTORS

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
Wages and salaries	8,374,677	8,150,279
Social security costs	768,355	760,281
Other pension costs	81,748	33,686
	<u>9,224,780</u>	<u>8,944,246</u>

The average number of employees during the period was as follows:

	Period 1/10/17 to 31/12/18	Year Ended 30/9/17
Management	7	8
Administration	11	11
Production	50	66
Selling	51	55
	<u>119</u>	<u>140</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 119 (2017 - 140) .

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
Directors' remuneration	<u>523,750</u>	<u>359,000</u>

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
Emoluments etc	<u>398,750</u>	<u>259,000</u>

5. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
Other operating leases	1,044,651	805,060
Depreciation - owned assets	221,536	173,129
Loss/(profit) on disposal of fixed assets	23,299	(1,177)
Auditors' remuneration	30,000	24,000
Foreign exchange differences	<u>(41,498)</u>	<u>42,655</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the loss for the period was as follows:

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
Current tax:		
UK corporation tax	(63,420)	77,123
Foreign tax	<u>83,061</u>	<u>26,684</u>
Tax on (loss)/profit	<u>19,641</u>	<u>103,807</u>

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/10/17 to 31/12/18 £	Year Ended 30/9/17 £
(Loss)/profit before tax	<u>(814,934)</u>	<u>732,564</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	(154,837)	139,187
Effects of:		
Depreciation in excess of capital allowances	20,131	14,396
Utilisation of tax losses	13,655	(45,286)
Effect of tax rate change	-	1,972
Adjustment to tax charge in respect of previous periods for overseas earnings	<u>140,692</u>	<u>(6,462)</u>
Total tax charge	<u>19,641</u>	<u>103,807</u>

Tax effects relating to effects of other comprehensive income

	1/10/17 to 31/12/18		
	Gross £	Tax £	Net £
Exchange rate movement	<u>(54,655)</u>	<u>-</u>	<u>(54,655)</u>
		2017	
	Gross £	Tax £	Net £
Exchange rate movement	<u>(119,719)</u>	<u>-</u>	<u>(119,719)</u>

7. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

8. TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 October 2017	463,512	244,969	109,220	11,020	828,721
Additions	-	13,728	-	-	13,728
Disposals	-	(109,270)	-	-	(109,270)
At 31 December 2018	<u>463,512</u>	<u>149,427</u>	<u>109,220</u>	<u>11,020</u>	<u>733,179</u>
DEPRECIATION					
At 1 October 2017	315,086	120,351	75,838	4,897	516,172
Charge for period	117,177	73,411	26,356	4,592	221,536
Eliminated on disposal	-	(84,930)	-	-	(84,930)
At 31 December 2018	<u>432,263</u>	<u>108,832</u>	<u>102,194</u>	<u>9,489</u>	<u>652,778</u>
NET BOOK VALUE					
At 31 December 2018	<u>31,249</u>	<u>40,595</u>	<u>7,026</u>	<u>1,531</u>	<u>80,401</u>
At 30 September 2017	<u>148,426</u>	<u>124,618</u>	<u>33,382</u>	<u>6,123</u>	<u>312,549</u>

9. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 October 2017 and 31 December 2018	<u>24,718</u>
NET BOOK VALUE	
At 31 December 2018	<u>24,718</u>
At 30 September 2017	<u>24,718</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Metia Limited

Registered office: 77 Shaftesbury Avenue, London, England, W1D 5DU

Nature of business: Marketing agency

Class of shares:	%
Ordinary	holding 100.00

Metia Solutions Inc

Registered office: 10220, NE Points Drive, Kirkland, Washington, 98033, United States of America

Nature of business: Marketing agency

Class of shares:	%
Ordinary	holding 100.00

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

9. **FIXED ASSET INVESTMENTS - continued**

Metia Pte Limited

Registered office: 111 Amoy Street, 069931, Singapore

Nature of business: Marketing agency

Class of shares:	%
Ordinary	holding 100.00

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2018	2017
	£	£
Trade debtors	3,272,050	2,634,527
Other debtors	257,459	237,567
Corporation tax recoverable	235,721	272,689
Prepayments and accrued income	608,558	423,362
	<u>4,373,788</u>	<u>3,568,145</u>

11. **CASH AT BANK AND IN HAND**

Included within bank balances is the sum of USD \$150,000 held in escrow as a security deposit for a US leasehold property.

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	259,057	231,496	-	-
Amounts owed to group undertakings	-	-	200,000	50,000
Tax	5,511	108,477	-	-
Social security and other taxes	120,744	122,731	-	-
VAT	83,171	124,737	-	-
Other creditors	62,301	64,551	3,179	3,179
Accruals and deferred income	2,076,873	1,677,295	5,000	5,000
	<u>2,607,657</u>	<u>2,329,287</u>	<u>208,179</u>	<u>58,179</u>

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
7,123,000	Ordinary	0.1p	<u>7,123</u>	<u>7,123</u>

Notes to the Consolidated Financial Statements - continued
For The Period 1 October 2017 to 31 December 2018

14. **RESERVES**

Group

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1 October 2017	4,269,177	2,877	376,184	4,648,238
Deficit for the period	(834,575)			(834,575)
Exchange rate movement	-	-	(54,655)	(54,655)
At 31 December 2018	<u>3,434,602</u>	<u>2,877</u>	<u>321,529</u>	<u>3,759,008</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 October 2017	376,603	2,877	379,480
Profit for the period	6,681		6,681
At 31 December 2018	<u>383,284</u>	<u>2,877</u>	<u>386,161</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.