

Company Registration No. 4860269

Metrowise Limited

Report and Financial Statements

31 December 2016

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Metrowise Limited

Report and financial statements 2016

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Metrowise Limited

Report and financial statements 2016

Officers and professional advisers

Directors

M W Keogh (appointed 29 January 2016)
T D Ely (resigned 29 January 2016)
I J Keane

Secretary

Charles Taylor Administration Services Ltd

Registered Office

Standard House
12-13 Essex Street
London
WC2R 3AA

Bankers

National Westminster Bank Plc
Coulsdon Branch
PO Box 959
96 Brighton Road
Coulsdon
Surrey
CR5 2YS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Metrowise Limited

Strategic report

The directors present their annual report and audited financial statements for Metrowise Limited (the Company) for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of a holding company.

Review of the business and financial position

The Company does not trade however incurred a loss of £1.1m in the current year largely due to costs relating to the acquisition of LCL Assurance Limited. The Company had net assets of £2.8m at 31 December 2016 (2015: 3.8m). The directors are satisfied with the financial position of the Company.

Key performance indicators

Charles Taylor plc (the Group) monitors its key performance indicators (KPI's) at a wider business level rather than legal entity level. In addition to monitoring financial performance against budget, KPI's include revenue, profit, interest cover, work in progress, free cash flow, earnings per share, net debt, growth in funds under management and investment performance. Further information about these KPI's can be found in the publicly available financial statements of Charles Taylor plc.

Principal risks and uncertainties

The Company is exposed to legal risk. Professional indemnity insurance provides some protection and there are comprehensive policies, procedures and training to minimise the risk.

Lack of business continuity risks and/or the failure of information technology systems are further risks faced by the Company and these are managed by business continuity plans and having appropriate support arrangements in place. The Company utilises specialist senior staff who may be difficult to replace and their loss could result in adverse financial consequences for the Company. Suitable measures exist to encourage staff retention, for example relating to career opportunities, remuneration and working conditions.

Approved by the Board and signed on its behalf by:



Charles Taylor Administration Services Limited

Secretary

28 SEPTEMBER 2017

Metrowise Limited

Directors' report

Events after balance sheet date

There have been no significant events since the balance sheet date which would have a material effect on the financial statements.

Going concern

The Group is managed by operating businesses rather than legal entities. The results, position, liquidity and financial resources of the Group are therefore relevant in this context. The directors of Charles Taylor plc have prepared and considered cash flow forecasts and projections for the Group, and these show that the Group has adequate resources to meet its liabilities as they fall due. The Company depends on the Group for funding as required and as such, has received a letter from the ultimate parent confirming that it will continue to provide financial support for at least a year from the date the financial statements are approved. Accordingly the directors of the Company continue to adopt the going concern basis in preparing these financial statements.

Future developments

The directors expect the Company to remain a holding company for the foreseeable future.

Financial risk management

The Company is exposed to financial risk through its financial assets and its financial liabilities. The most important components of financial risk are interest rate risk, currency risk, credit risk and liquidity risk. The Company does not use hedging or adopt hedge accounting for any type of transactions.

Interest rate risk

The Company is not exposed to interest rate risk in relation to its bank balances and overdrafts.

Currency risk

The Company is not exposed to currency risk in relation to its bank balances and overdrafts.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company seeks to minimise this risk by having appropriate engagement acceptance procedures and agreed terms of engagement and payment and also by maintaining credit control processes. The Company is also exposed to credit risk in relation to amounts due from group companies. The risk in relation to these balances being irrecoverable is not considered to be material.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Company seeks to mitigate this risk by maintaining sufficient cash to meet its obligations as they fall due either from its own resources or, if not sufficient, by way of funding from other group companies.

Metrowise Limited

Directors' report (continued)

Directors

The directors who served throughout the year except as noted, and the present membership of the board are shown on page 1.

Dividends

The directors do not recommend a dividend for the year (2015: £nil).

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force as at the date of this report.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

Statement of disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Metrowise Limited

Directors' report (continued)

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. PricewaterhouseCoopers LLP has expressed its willingness to be reappointed for another term and appropriate arrangements have been put in place for PricewaterhouseCoopers LLP to be reappointed as auditor in the absence of an annual general meeting.

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



Charles Taylor Administration Services Limited

28 SEPTEMBER 2017

Metrowise Limited

Independent Auditors' Report to the members of Metrowise Limited

Report on the financial statements

Our opinion

In our opinion, Metrowise Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Metrowise Limited

Independent Auditors' Report to the members of Metrowise Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 SEPTEMBER 2017

Metrowise Limited

Income statement Year ended 31 December 2016

	Notes	2016 £	2015 £
Administrative expenses		(1,150,855)	(1,196,872)
Unwind of discount on deferred consideration		<u>(124,033)</u>	<u>(250,967)</u>
Loss before taxation	2	(1,274,888)	(1,447,839)
Tax on loss	4	<u>222,918</u>	<u>-</u>
Loss for the financial year		<u>(1,051,970)</u>	<u>(1,447,839)</u>

All activities derive from continuing operations.

There are no recognised gains or losses other than the loss or profit for the current and prior year.

The notes on pages 11 to 15 form an integral part of these financial statements.

Metrowise Limited

Balance sheet At 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	5	22,718,200	22,718,200
Current assets			
Debtors	6	4,624,990	3,951,993
Cash at bank and in hand		1,705	1,260
		4,626,695	3,953,253
Creditors: amounts falling due within one year	7	(24,593,516)	(22,868,104)
Net current liabilities		(19,966,821)	(18,914,851)
Net assets		2,751,379	3,803,349
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		2,751,378	3,803,348
Total shareholders' funds		2,751,379	3,803,349

The notes on pages 11 to 15 form an integral part of these financial statements.

The financial statements of Metrowise Limited (registered number 4860269) were approved by the board of directors and authorised for issue on **28 SEPTEMBER** 2017.

They were signed on its behalf by



IJ Keane
Director

Metrowise Limited

Statement of changes in equity Year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2016	1	3,803,348	3,803,349
Loss for the financial year	-	(1,051,970)	(1,051,970)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>1</u>	<u>2,751,378</u>	<u>2,751,379</u>

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2015	1	5,251,187	5,251,188
Loss for the financial year	-	(1,447,839)	(1,447,839)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	<u>1</u>	<u>3,803,348</u>	<u>3,803,349</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

Metrowise Limited

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies

General information

The Company is a private limited company and is incorporated and domiciled in the UK.

Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- Preparing consolidated financial statements under section 400 of the Companies Act 2006 and ISA 27, 'Consolidated and separate financial statements' as the company is a wholly owned subsidiary of, and is included in the consolidated financial statements of, Charles Taylor plc.
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

The financial statements have been prepared on a going concern basis, as discussed in the directors' report on page 3.

Revenue recognition

The Company did not receive any revenue during the year.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency). Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Metrowise Limited

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account.

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Deferred consideration

Deferred consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS39 *Financial Instruments: Recognition and Measurement*, or IAS37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss. The sensitivity of the fair value of deferred consideration to reasonably likely changes in the discount rate is not considered material.

2. Loss before tax

Audit fees of £500 (2015: £3,000) have been paid by another group company.

3. Information regarding directors and employees

All directors and employees engaged in the activities of the Company are employed by Charles Taylor Administration Services Limited. Information regarding directors and employees for the current and prior year is available in the financial statements of Charles Taylor Administration Services Limited and the ultimate parent Company Charles Taylor plc.

No director (2015: none) received emoluments from the Company during the year. These directors receive remuneration from other group companies, and it is not appropriate, because of the non-executive nature of their services, to make an apportionment of their emoluments in respect of this Company.

Metrowise Limited

Notes to the financial statements Year ended 31 December 2016

4. Tax on loss

The tax (credit)/charge for the year was £222,918 (2015: £ nil).

The differences between the total current tax credit of £222,918 and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2016 £	2015 £
Loss before taxation	(1,274,888)	(1,447,839)
Tax on loss at standard UK corporation tax rate of 20.00 % (2015: 20.25%)	(254,978)	(293,188)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	32,282	-
Transfer pricing interest adjustment	(222)	(9,389)
Group relief provided	-	302,577
Total tax (credit)/charge for the year	(222,918)	-

5. Investments

	2016 £	2015 £
Cost of shares held		
At 1 January	22,718,200	10,618,200
Additions	-	12,100,000
At 31 December	22,718,200	22,718,200

Metrowise Limited

Notes to the financial statements Year ended 31 December 2016

5. Investments (continued)

The subsidiary undertakings of the Company are set out below, all directly owned.

Subsidiary	Address of registered office	Place of incorporation	Activity	% of equity capital
Charles Taylor (IoM) Limited	St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	Isle of Man	Life assurance	100%
Charles Taylor Holdings (IoM) Limited	St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	Isle of Man	Holding company	100%
Charles Taylor Insurance Services (IoM) Limited	St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	Isle of Man	Life assurance	100%
LCL Assurance Limited	St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	Isle of Man	Life assurance - closed to new business	100%
LCL International Life Assurance Company Limited	St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	Isle of Man	Life assurance - closed to new business	100%
LCL Life & Pension Limited	St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	Isle of Man	Life assurance	100%

6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	4,578,171	3,927,671
Other debtors	46,819	24,322
	<u>4,624,990</u>	<u>3,951,993</u>

7. Creditors

	2016 £	2015 £
<i>Amounts falling due within one year</i>		
Amounts owed to group undertakings	24,083,516	15,529,511
Accrued expenses	510,000	-
Deferred consideration	-	7,338,593
	<u>24,593,516</u>	<u>22,868,104</u>

Deferred consideration is measured at fair value through profit and loss and relates to amounts payable to former directors in respect of LCL group companies and is contingent upon profitability targets.

Metrowise Limited

Notes to the financial statements Year ended 31 December 2016

8. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 (2015:1) ordinary share of £1	1	1

The Company has one class of ordinary shares which carry no right to fixed income and carry equal voting rights.

9. Ultimate parent company and controlling party

The immediate parent undertaking is LCL Acquisitions Limited, a company incorporated in United Kingdom.

The ultimate parent and controlling company is Charles Taylor plc, a company incorporated in United Kingdom and registered in England and Wales. Charles Taylor plc is the parent undertaking of the largest and smallest group for which group financial statements are produced. Copies of the group financial statements of that company are publicly available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.