

Metropolis Financial
platforms Ltd
6489194

Company Registration No. 10618673 (England and Wales)

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

FRIDAY



A9JNN3PK

A11

11/12/2020

#42

COMPANIES HOUSE

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

COMPANY INFORMATION

Non-Executive Chairman & Director	J G Mills
Non-Executive Director	E A Lazarus
Secretary	R Hutchinson
Company number	10618673
Registered office	7th Floor Vantage London Great West Road London TW8 9AG
Auditors	Holeys Limited Stuart House 15/17 North Park Road Harrogate North Yorkshire HG1 5PD
Bankers	Lloyds Bank Plc 4th Floor 25 Gresham Street London EC2V 7HN

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

CONTENTS

Strategic Report	1 – 5
Directors' Report	6 – 7
Report of Independent Auditors	8 – 10
Group Statement of Comprehensive Income	11
Group Statement of Financial Position	12
Parent Company Statement of Financial Position	13
Statement of Changes in Equity	14
Group Statement of Cashflow	15
Notes to the Financial Statements	16 - 32

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for year ended 31 December 2019.

Business Overview

Metropolis Group is a fast growing media and technology group, established in 1994. It employs over 500 people and has offices in West London, Croydon, Shoreditch, Bolton, Dublin and Chester.

The principal activity of the group is business and consumer media, including websites, magazines, events, exhibitions and conferences delivered in face to face, print and digital format.

Metropolis has become over the last decade one of the largest, leading and fastest growing B2B media operators in the UK, with a substantially re-engineered business model delivering sustainable revenues based on a multi-media multi-platform strategy focused on the high value audiences it serves.

The Group continues to seek growth both organically and through acquisitions - in media, technology and other industries.

Strategy, vision and mission

Within its media operations, the Group's vision is to create long-term sustainable profitable futures for the brands it owns. Its mission in media is to engage deeply with its industry communities across multiple platforms, serving its audiences with insightful journalism, great events, information, intelligence and networking connections to enable them to successfully develop their businesses and careers.

Performance	2018	2019
	£'000	£'000
Turnover	52,658	55,095
EBITDA	7,433	7,657
Cash & cash equivalents	18,648	18,437

The results for the year (summarised above) show turnover of £55,095,000. This compares to £52,658,000 in 2018. EBITDA (Earnings before interest, tax, depreciation and amortisation) of the group was £7,657,000 compared to £7,433,000 in 2018. The Group made charitable donations of £49,841 in 2019 (2018: £60,000) and, as noted below, additionally raised considerable funds for charity at its events and from fundraising.

At year end the group had cash and cash equivalents of £18,437,000 compared to £18,648,000 in 2018.

The Group continued its acquisition programme and acquired Centaur Financial Platforms Limited from Centaur Media (with brands Platform, Money Marketing, Mortgage Strategy, Taxbriefs and Headline Money) and Crambeth Allen Publishing from a private seller (with brands PTQ and Digital Refining) during the year.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are pleased with the progress of the group.

The group continued to re-engineer its digital platform as part of its media-neutral strategy, while focusing on innovation through new event launches and the development of existing events. In 2019, print advertising represented 19% of total revenue, events and digital increased to 62% while subscriptions were 17%.

Key Performance Indicators

The key performance indicators for the group are EBITDA and EBITA.

EBITDA excluding investment income for the last 5 years is as follows:

	2015	2016	2017	2018	2019
	£'000	£'000	£'000	£'000	£'000
EBITDA	6,634	6,693	7,661	7,433	7,657

In order for the group to have a better understanding of its ongoing business, it also tracks underlying EBITA which excludes investment income, exceptional costs and major businesses which are no longer part of the group. Underlying EBITA for the last 5 years is as follows:

	2015	2016	2017	2018	2019
	£'000	£'000	£'000	£'000	£'000
EBITA	4,939	4,489	7,574	7,347	7,382

The group additionally tracks organic growth, revenue mix, cashflow and investment IRR.

Risks

The management of the business and the implementation of the group's strategy are subject to a number of risks. These are monitored by the board and procedures are in place to reduce them to an acceptable level. The key business risks are:

a) Adverse changes in government legislation, taxation or adverse regulatory changes.

b) Disaster

Acts of terrorism in the UK, overseas conflicts, a pandemic or another natural disaster would affect the group's businesses as there may be a contraction in advertising spend and reduced attendance at exhibitions, events and conferences. This risk could particularly have an impact upon an event held in the location of the disaster. For larger events there will be a limitation on finding an alternative large venue at short notice.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

c) The general economic climate

Inflation, fluctuations in currency exchange or interest rates and changes to supply and demand all have an impact on business costs. The group's operations, business and profitability are affected by these factors, which are beyond the control of the group. Any material decrease in advertising budgets could have an adverse impact upon the demand for attendance at the group's events and could reduce the demand for advertising. We believe these risks are partially mitigated by the diverse sectors the group has invested in.

d) The group's markets

Changes in technology, new entrants to the markets in which the group operates and alternative competitor products may adversely affect the group's businesses. The group continues to invest in its products to mitigate against this risk and will seek to enforce its intellectual property rights to protect brands where this is necessary.

e) International markets

Whilst the group's businesses are primarily in the UK the following risks could have a material adverse effect on the group's future international operations in certain jurisdictions: economic and political uncertainties and social unrest, limitations on the ability to exercise legal rights, state imposed business restrictions and adverse changes to government legislation.

f) Print advertising revenue trends

There is a structural industry wide decline in print advertising. We continue to organically grow new event and digital revenue streams, whilst continuing to provide print as part of a mix of products available to readers and customers. The print advertising risk has been managed by virtue of this growth in non-print revenues.

g) Increases in paper, postage, event venue or other third party costs

Significant increases may have a material adverse effect on profitability if the group is unable to pass these onto its customers. This is mitigated as revenue is derived from many different revenue streams e.g. print, face to face and digital. There is no dependence on a single supplier.

h) Brexit

Brexit and Post Brexit trade negotiations has led to some uncertainty, although this has reduced since 2019. Brexit uncertainty had a negative impact on the Group's fourth quarter revenues. The board continue to monitor developments and the impact on the macro-economic environment. The company's brands are mostly market leaders in their sectors which mitigates the risk of reduced demand.

i) Failure of information systems/security breach arising from a cyber security attack

The group's businesses would be interrupted if there was a failure to its IT systems from power loss, telecommunications failures, sabotage, vandalism, general disruption or a cyber security attack. The group continues to invest in this area and has moved more systems to the cloud, maintains offsite back up and uses third parties to host websites. IT capabilities are in place to support remote working and this has been successfully adopted in recent days.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

j) Growth Strategy

The group could make an acquisition that fails to deliver satisfactory returns. The group believes that this risk is reduced by prudent due diligence and pre-completion integration planning. To date all acquisitions have generated a positive impact on profitability and cash flow.

k) Dependence on key personnel

The group consists of people-based businesses and its success is substantially dependent on the continuing contributions of its directors, senior management and other key personnel. The loss of these services could have a material adverse effect on the group's businesses. This risk has been reduced through policies leading to higher levels of staff retention.

Coronavirus (COVID 19) situation

As of April 2020, the group is taking measures to mitigate the effects of the coronavirus pandemic. Employees have successfully moved to a “working from home” model. The largest potential impact is to our events business. We have successfully postponed events to later in the year or early 2021 and have moved some events online. It seems probable that there will be challenges to advertising in the event of a likely economic downturn. Cost savings have been made, some staff have been furloughed and the working week has been temporarily reduced. The group's bank borrowing facilities were renegotiated during March 2020 to pay down debt to much reduced levels and extend the duration and flexibility of the remainder.

Research and development

The group undertakes research and development activity specifically relating to developing software to provide innovative solutions to its customers.

Future Developments

In the medium term, the group plans to improve the revenue and profits generated from existing business areas.

The digital opportunity for the group includes digital content marketing, personal focused e-newsletters, online display and commercial video. The digital marketing team has been strengthened, new analytics reporting put in place, a data analytics department set up to support higher audience engagement, 60 sales people trained in digital sales techniques, and an in-house video unit expanded to deliver increased editorial and commercial video output.

The group has expanded the number of events it runs to over 120 in 2019, from conferences to awards, conventions and the annual World Architecture Festival. We continue to identify new events opportunities while developing and enhancing our more mature offerings.

Cultural values

The Group's cultural values are:

Entrepreneurial: innovative, profit-orientated, non-bureaucratic. The Group launched 19 new products – events and digital solutions – in 2019, including 5 generated from an in-house competition.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Efficient: cost-conscious, dynamic, hard-working. The group's focus on fit for purpose technology has achieved substantial savings and business improvements in 2019 including moving from Salesforce as a CRM solution, changing subscription bureau and integrating their systems into our own, changing jobs boards, and moving websites onto our own Wordpress based CMS, a programme that continues into 2020.

Collaborative: team based and focused on brand, across the group the business operates in cross-disciplinary empowered teams – content, commercial and events working together closely, supported by marketing, finance, digital and audience specialisms.

Equal opportunity: the group is committed to fostering diversity, fairness, and mutual respect. It is committed to being an equal opportunity and diverse business. The group in 2019 reported a 6% median gender pay gap – half the national average – and is working to reduce this, with a focus on recruitment and promotion processes. It has set up an “Inspiring Women” working group, adopted processes to ensure consistency and fairness in recruitment, diverse shortlists and diverse recruitment panels. Six brand editorial teams have voluntarily joined the 50:50 Project to ensure more balanced female representation in media content.

The group gives full consideration to applications for employment from disabled persons. Opportunities are available to disabled employees for training, career development and promotion. If an existing employee becomes disabled the group's policy is to continue to provide continuing employment where practical in the same or an alternative position.

The group holds regular meetings with employees to provide information about the business. In these sessions, we aim to share ideas and experiences both ways. Our recent employee survey identified areas for particular focus - leading to working groups on Inspiring Women, Being Green and Internal Career Development being established.

The group is taking steps to become more environmentally sustainable. After this was identified as a key area in employee town halls. A major focus has been on sustainability in the office. The group uses sustainable paper sources for its magazines and is improving sustainability at the events it organises. Teams across the group have raised almost £150,000 for charity in 2019 and a “charity day” has been established where employees can volunteer on a working day to help a charity.

By order of the board



R. Hutchinson
Secretary

17 April 2020

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and financial statements for the company and the group for the year ended 31 December 2019.

Strategic Report Information regarding post balance sheet events, future developments and risk exposure are dealt with in the Strategic Report.

Directors

The following directors have held office during the year:

J G Mills
E A Lazarus

Auditors

The auditors, Holeys Limited, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the 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 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

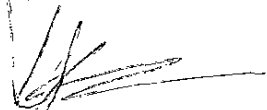
Statement of disclosure to auditors

- a. so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- b. they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

By order of the board

A handwritten signature in black ink, appearing to be 'R Hutchinson', with a long horizontal stroke extending to the right.

R Hutchinson
Secretary

17 April 2020

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF METROPOLIS GROUP LIMITED

Opinion

We have audited the financial statements of Metropolis Group Limited (the 'company') for the year ended 31 December 2019 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Parent Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cashflows and 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 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 the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended; and
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 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.

Other information

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

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF METROPOLIS GROUP LIMITED

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 our 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 Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

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 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 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.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF METROPOLIS GROUP LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our audit work and to whom we owe our responsibilities

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.



Paul Stephenson BA FCA (Senior Statutory Auditor)
for and on behalf of Holeys Limited

17/4/2020

Chartered Accountants
Statutory Auditor

Stuart House
15/17 North Park Road
Harrogate
North Yorkshire
HG1 5PD

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
Turnover	2	55,095	52,658
Cost of sales		<u>(35,495)</u>	<u>(33,796)</u>
Gross profit		19,600	18,862
Administrative expenses		<u>(14,499)</u>	<u>(13,137)</u>
Operating profit	3	5,101	5,725
Exceptional costs	5	-	(157)
Investment income/(loss)	7	2,291	(1,167)
Other interest receivable and similar income	8	1	4
Interest payable and similar charges	9	<u>(386)</u>	<u>(384)</u>
Profit on ordinary activities before taxation		7,007	4,021
Tax on profit on ordinary activities	10	<u>(1,386)</u>	<u>(836)</u>
Profit for the financial year after taxation		5,621	3,185
Profit for the financial year attributable to:			
Non-controlling interests		10	-
Owners of the parent company		<u>5,611</u>	<u>3,185</u>
Total comprehensive Income		5,621	3,185

There are no recognised gains or losses other than the profit for the above two years. Therefore, there was no requirement to produce a statement of total recognised gains and losses.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

		2019	2018
		£'000	£'000
Fixed assets			
Intangible assets	12	30,413	25,831
Tangible assets	13	474	535
Investments	17	-	-
		30,887	26,366
Current assets			
Stocks	14	59	22
Debtors due within one year	15	9,039	7,006
Investments	16	16,607	15,023
Cash at bank and in hand		1,830	3,625
		27,535	25,676
Creditors: amounts falling due within one year	18	(22,708)	(18,876)
Net current assets		4,827	6,800
Total assets less current liabilities		35,714	33,166
Creditors: amounts falling due after more than one year	19	(5,688)	(9,125)
Provisions for liabilities	22	(740)	(376)
Net assets		29,286	23,665
Capital and reserves			
Called up share capital	24	49,694	60,000
Merger Reserve		(73,732)	(73,732)
Profit and loss account		53,324	37,397
		29,286	23,665
Equity attributable to owners of the			
Parent company		29,123	23,665
Non-controlling interests		163	-
		29,286	23,665

Approved by the Board and authorised for issue on 17 April 2020



J G Mills
Director

Company Registration No. 10618673

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments	17		55,000		55,000
			<u>55,000</u>		<u>55,000</u>
Current Assets					
Debtors due within one year	15	8,765		8,765	
		<u>8,765</u>		<u>8,765</u>	
Creditors: amounts falling due within one year	18	(79)		(79)	
		<u>(79)</u>		<u>(79)</u>	
Net current assets			8,686		8,686
Total assets less current liabilities			<u>63,686</u>		<u>63,686</u>
Net assets			<u>63,686</u>		<u>63,686</u>
Capital and reserves					
Called up share capital	24		49,694		60,000
Profit and loss account			<u>13,992</u>		<u>3,686</u>
			<u>63,686</u>		<u>63,686</u>

Approved by the Board and authorised for issue on 17 April 2020



J G Mills
Director
Company Registration No. 10618673

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

Group	Called up share capital £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2019	60,000	(73,732)	37,397	23,665
Profit for the year	-	-	5,621	5,621
Total comprehensive income for the year	<u>60,000</u>	<u>(73,732)</u>	<u>43,018</u>	<u>29,286</u>
Capital reduction	(10,306)	-	10,306	-
At 31 December 2019	<u>49,694</u>	<u>(73,732)</u>	<u>53,324</u>	<u>29,286</u>

Parent Company	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019	60,000	3,686	63,686
Profit for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
Capital reduction	(10,306)	10,306	-
At 31 December 2019	<u>49,694</u>	<u>13,992</u>	<u>63,686</u>

METROPOLIS GROUP LIMITED**(formerly M New Holdings Limited)****GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019	2018
		£'000	£'000
Net cash inflow from operating activities	25	4,196	8,180
Investing activities			
Interest received		-	4
Dividends received		-	25
Payments to acquire tangible fixed assets		(215)	(473)
Payments to acquire goodwill and assets		(5,461)	-
Payments to acquire investments		-	(6,000)
Receipt on disposal of investments, goodwill and net assets		708	4,189
Net cash flow from investing activities		(4,968)	(2,255)
Financing activities			
Interest Paid		(386)	(384)
New short term bank loan		3,000	-
Repayment of long term bank loan and overdraft		(3,637)	(5,136)
Net cash flow from financing activities		(1,023)	(5,520)
Increase/decrease in cash and cash equivalents		(1,795)	405
Cash and cash equivalents 1 January 2019		3,625	3,220
Cash and cash equivalents 31 December 2019		1,830	3,625

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Significant accounting policies

1.1 Company Information

Metropolis Group Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is 7th Floor, Vantage London, Great West Rd, London, TW8 9AG. Metropolis Group Limited is a company limited by shares.

1.2 Statement of compliance

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the group for the year ended 31 December 2019.

1.3 Basis of preparation

The financial statements are prepared under the historical cost convention.

The financial statements of Metropolis Group Limited were approved for issue by the Board of Directors on 17 April 2020. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the group.

1.4 Going Concern

The directors at the time of approving the financial statements have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting has continued to be used in preparing the financial statements.

1.5 Basis of consolidation

The group financial statements of Metropolis Group Limited and all its subsidiary undertakings are drawn up to 31 December each year. No profit and loss account is presented for Metropolis Group Limited as permitted by section 408 of the Companies Act 2006. Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. In February 2017, Metropolis Group Limited, became the new parent company of the group via a share for share exchange with Metropolis Group Holdings Limited, the previous parent company. As this constitutes a group reconstruction, it has been accounted for using merger accounting principles and whilst it did not become effective until February 2017 the consolidated financial statements are presented as if the new and old parent company have always been part of the same group.

1.6 Judgements & key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1.7 Revenue recognition

Turnover represents amounts receivable for goods and services provided excluding sales taxes and trade discounts. Turnover is recognised as follows:

Advertising, copy sales or subscription revenue from printed products are recognised in the period in which the printed product is distributed to the customer and the right to payment has been earned.

Online advertising, online access and subscription revenue is recognised in the period the service is delivered, in the case of advertising revenue this is the period the advertisement remains online and is allocated to periods on a straight line basis.

Events, conference and exhibition revenue is recognised in the period the event, conference or exhibition takes place.

Commission revenue is recognised in the period in which the related service is provided and the right to payment has been earned.

Dividends and interest received are recognised on a receipt basis.

1.8 Research & development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.9 Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which the directors consider to be between five to twenty years depending on the circumstances of the business to which the goodwill relates.

1.10 Tangible assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery - 3 to 5 years at cost

1.11 Intangible assets

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1.12 Equity investments

Equity investments are recognised initially at fair value which is the transaction price. Subsequently, they are measured at fair value through the profit or loss.

1.13 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there are any indications that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

1.14 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.15 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

1.16 Pensions and post-retirement benefits

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they are paid. There are no defined benefit schemes.

1.17 Deferred taxation

Deferred tax is recognised in respects of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements except unrelieved tax losses and other deferred tax assets which are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future profits. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse.

1.18 Foreign currency translation

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of the exchange ruling at the date of the statement of financial position. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

Company

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the date of the statement of financial position. All differences are taken to the profit and loss account.

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1.19 Leasing

The group and its parent Company have no finance leases. Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

1.20 Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.21 Derivative Financial Instruments

The group has entered into an interest rate swap to manage its exposure to an increase in interest rates on its borrowings. Under the interest rate swap, the group agreed with its bank to exchange, at quarterly intervals, the difference between fixed rate and floating rate interest amounts. The Group has not applied hedge accounting and has recognised the fair value of the swap on its Statement of Financial Position with any changes to value recognised in its income statement. The fair value of the swap has been measured as the present value of future discounted forecast net cashflows arising from the swap.

1.22 Audit exemption

The group has taken advantage of section 479A Companies Act 2006 from the requirement for the subsidiary undertakings Diamond Publishing Ltd, Innovare Media Limited, Metropolis Financial Platforms Limited, Crambeth Allen Publishing Limited and Metropolis Group Holdings Limited to be subject to audit.

2 Turnover

	2019	2018
Geographical market	£'000	£'000
United Kingdom - continuing operations	45,492	42,180
EU and Rest of the world - continuing operations	9,603	10,478
	55,095	52,658

3. Operating Profit

	2019	2018
This is stated after charging/(crediting):	£'000	£'000
Depreciation of owned assets	275	243
Amortisation of goodwill	2,281	1,622
Foreign exchange differences	(100)	(3)
Operating lease rentals - land and buildings	904	1,060
Operating lease rentals - plant and machinery	-	38
Auditors remuneration	44	50

METROPOLIS GROUP LIMITED*(formerly M New Holdings Limited)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2019****4. Auditors' remuneration**

The remuneration of the auditors or its associates is further analysed as follows:	2019	2018
	£'000	£'000
Audit of the financial statements	13	6
Audit of subsidiaries	31	40
Total audit cost	<u>44</u>	<u>46</u>
Taxation compliance services	-	2
Other non-audit services	-	2
Total non-audit services	<u>-</u>	<u>4</u>

5. Exceptional costs

	2019	2018
	£'000	£'000
Restructuring costs	-	157
	<u>-</u>	<u>157</u>

METROPOLIS GROUP LIMITED**(formerly M New Holdings Limited)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****6. Staff costs****Number of employees**

The average monthly number of employees (including directors) during the year was:	2019	2018
	Number	Number

Production and editorial	172	146
Sales	159	163
Administration	164	143
	495	452

Employment costs

	2019	2018
	£'000	£'000
Wages and salaries	16,789	18,208
Social security costs	1,726	1,939
Other pension costs	471	370
	18,986	20,517

Included in other pension costs are £406,424 (2018: £369,503) in respect of defined contribution benefit schemes.

Directors' remuneration

	2019	2018
	£'000	£'000
Aggregate remuneration in respect of qualifying services	13	13
In respect of the highest paid director:		
Aggregate remuneration	10	10

7. Investment income

	2019	2018
	£'000	£'000
Profit on disposal of goodwill, net assets and share capital	-	189
Unrealised gain/(loss) from change in the fair value of investments	2,291	(1,381)
Dividends Receivable	-	25
	2,291	(1,167)

METROPOLIS GROUP LIMITED**(formerly M New Holdings Limited)****NOTES TO THE FINANCIAL STATEMENTS*****FOR THE YEAR ENDED 31 DECEMBER 2019*****8. Interest receivable and similar income**

	2019	2018
	£'000	£'000
Bank interest	<u>1</u>	<u>4</u>
	1	4

9. Interest payable

	2019	2018
	£'000	£'000
On other loans wholly repayable within five years	<u>386</u>	<u>384</u>
	386	384

METROPOLIS GROUP LIMITED**(formerly M New Holdings Limited)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****10. Tax****Tax included in the group income statement****The tax charge is made up as follows:**

	2019	2018
	£'000	£'000
Current year tax		
U.K. corporation tax at 19% (2018: 19%)	1,280	1,099
Tax overprovided in previous years	(147)	(127)
Total current year tax	1,133	974
Deferred tax		
Origination and reversal of timing differences	102	124
Unrealised gain from the reduction/increase in value of listed investments	151	(262)
Deferred tax charge	253	(138)
Tax on profit on ordinary activities	1,386	836

Factors affecting the tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

Profit on ordinary activities before taxation	7,008	4,021
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19% (2018: 19%)	1,331	764
Expenses not deductible for tax purposes (including goodwill amortisation on consolidation)	80	477
Non taxable income	(435)	-
Tax deductible costs	(25)	(158)
Depreciation and amortisation	486	247
Capital allowances	(146)	(49)
Other adjustments	(158)	(307)
Total tax expense	1,133	974

METROPOLIS GROUP LIMITED**(formerly M New Holdings Limited)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019/20.****10. Tax (continued)**

Deferred tax	£'000
Provision for deferred tax at 1 January 2019	(95)
Deferred tax charge	(254)
Provision for deferred tax at 31 December 2019 (included within provisions in note 22)	(349)

11. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company is nil (2018: £29,970).

The parent company has taken advantage of the exemption as afforded by s408 of the Companies Act 2006 from presenting its income statement.

12. Intangible fixed assets**Group**

	Goodwill £'000	Total £'000
Cost		
At 1 January 2019	51,215	51,215
Additions	7,041	7,041
Adjustment	(178)	(178)
At 31 December 2019	58,078	58,078
Amortisation		
At 1 January 2019	25,384	25,384
Charge	2,281	2,281
At 31 December 2019	27,665	27,665
Carrying amount		
At 31 December 2019	30,413	30,413
At 31 December 2018	25,831	25,831

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****13. Tangible fixed assets**

Group	Plant and machinery £'000
Cost	
At 1 January 2019	4,121
Additions	214
On acquisition	24
Disposals	-
At 31 December 2019	<u>4,359</u>
Depreciation	
At 1 January 2019	3,586
Charge	275
On acquisition	24
Disposals	-
At 31 December 2019	<u>3,883</u>
Carrying amount	
At 31 December 2019	<u>474</u>
At 31 December 2018	<u>535</u>

14. Stocks

	Group		Parent	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	59	22	-	-

15. Debtors

	Group		Parent	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	5,591	4,009	-	-
Prepayments and accrued income	3,316	2,997	-	-
Other Debtors	132	-	132	132
Amounts owed by group undertakings	-	-	8,633	8,633
	<u>9,039</u>	<u>7,006</u>	<u>8,765</u>	<u>8,765</u>

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

16. Current asset investments

The group holds short term investments in an FCA regulated fund which invests in liquid listed securities. These are shown at their market value which varies daily. The Directors regard these investments as short term and equivalent to cash. These funds are held for the purposes of the trade to fund future acquisition opportunities.

17. Fixed asset investments

The group holds more than 20% of the share capital of the following companies, which are included in the consolidation:

	Country of registration or incorporation	Shares held	
		Class	%
Shares held by the group			
Metropolis Group Holdings Ltd	England & Wales	Ordinary	100.00
Metropolis International Group Ltd	England & Wales	Ordinary	100.00
EMAP Publishing Ltd	England & Wales	Ordinary	100.00
Diamond Publishing Ltd	England & Wales	Ordinary	100.00
Innovare Media Ltd	England & Wales	Ordinary	100.00
MPI Media Limited	Ireland	Ordinary	100.00
Metropolis Global Ltd	England & Wales	Ordinary	100.00
Metropolis International Group Inc	USA	Ordinary	100.00
Medical Publications (Ireland) Ltd	England & Wales	Ordinary	100.00
Metropolis International Ltd	England & Wales	Ordinary	100.00
Metropolis Financial Platforms Ltd	England & Wales	Ordinary	100.00
Crambeth Allen Publishing Ltd	England & Wales	Ordinary	85.00

METROPOLIS GROUP LIMITED**(formerly M New Holdings Limited)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2019****17. Fixed asset investments (continued)**

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year was as follows:

Subsidiary undertaking	Principal activity	Capital and reserves	Profit/(loss) for the year
		Reserves 2019 £'000	2019 £'000
Metropolis Group Holdings Ltd	Holding company	25,859	(154)
Metropolis International Group Ltd	Publishing	8,877	6,178
EMAP Publishing Ltd	Publishing	24,248	2,019
Diamond Publishing Ltd	Publishing	3,968	30
Innovare Media Ltd	Publishing	3,063	500
MPI Media Ltd	Publishing	695	221
Metropolis Global Ltd	Dormant	(19)	44
Metropolis International Group Inc	Dormant	14	-
Medical Publications (Ireland) Ltd	Dormant	182	-
Metropolis International Ltd	Dormant	-	-
Metropolis Financial Platforms Ltd	Publishing	2,151	476
Crambeth Allen Publishing Ltd	Publishing	1,090	(17)

18. Creditors: amounts falling due within one year

	Group		Parent	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans and overdraft	6,637	3,637	-	-
Trade creditors	2,348	2,064	-	-
Corporation tax	683	787	-	-
Other taxes and social security costs	1,599	1,483	-	-
Accruals and deferred income	11,361	10,905	-	-
Other creditors	80	-	79	79
	22,708	18,876	79	79

There is a cross group guarantee in respect of the other group member's obligations to the bank. The repayment terms and interest rate on the bank loan are shown in note 20. All other creditors are due to be paid within 12 months of the balance sheet date. With the exception of the bank loan no interest is charged on any of these creditor balances.

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2019****19. Creditors: amounts falling due after more than one year**

	Group		Parent	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans (note 20)	5,455	9,092	-	-
Deferred income	233	33	-	-
	<u>5,688</u>	<u>9,125</u>	<u>-</u>	<u>-</u>

20. Loans

Loans repayable, included within creditors, are analysed as follows:

	Group		Parent	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Wholly repayable within five years	12,092	12,729	-	-
Included within creditors falling due within one year	(6,637)	(3,637)	-	-
	<u>5,455</u>	<u>9,092</u>	<u>-</u>	<u>-</u>

The banks borrowings are secured by a debenture and there is a cross guarantee in respect of the other group members' obligations to the bank. The bank loan is being paid in equal quarterly instalments ending in March 2021. The company pays a market rate of interest.

21. Obligations under leases and hire purchase contracts

At 31 December 2019 future minimum rentals payable under non-cancellable operating leases are as follows:

Land and Buildings	2019	2018
	£'000	£'000
Within one year	1,063	1,314
In two to five years	3,851	3,307
	<u>4,914</u>	<u>4,621</u>
Plant and Machinery		
Within one year	9	11
In two to five years	7	2
	<u>16</u>	<u>13</u>

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****22. Provision for liabilities**

	Provisions for liabilities £'000	Deferred Tax £'000	Total £'000
Balance at 1 January 2019	382	95	477
Payments made	(204)	-	(204)
Released back to goodwill	(178)	-	(178)
Provision	391	254	645
Balance at 31 December 2019	<u>391</u>	<u>349</u>	<u>740</u>

Contingent consideration is in respect of past acquisitions and is based upon those businesses achieving future targeted levels of either revenue or profit. The provision provided has been based upon forecasts for those businesses and the likely future payments that will be made.

23. Pension and other post-retirement benefit commitments

The group makes contributions into a group pension auto enrolment compliant scheme. The assets of this scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to these funds.

	Group		Parent	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Contributions payable by the group for the year	<u>471</u>	<u>370</u>	<u>-</u>	<u>-</u>

METROPOLIS GROUP LIMITED
(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

24. Share Capital

	2019	2018
	£'000	£'000
Allotted, called up and fully paid		
15,965,158 "A" Ordinary shares of £1 each	15,965	-
14,634,725 "A1" Ordinary shares of £1 each	-	14,635
1,330,433 "A2" Ordinary shares of £1 each	-	1,330
33,728,419 "B" Ordinary shares of £1 each	33,728	-
30,917,716 "B1" Ordinary shares of £1 each	-	30,918
2,810,703 "B2" Ordinary shares of £1 each	-	2,811
9,447,537 "H1" Ordinary shares of £1 each	-	9,448
858,869 "H2" Ordinary shares of £1 each	-	858
810,889 "I" Ordinary shares of £0.0001 each	1	-
461,484 "I" Ordinary shares of £0.0001 each	-	-
	49,694	60,000

During the year the share capital was reorganised with the "A1" & "A2" shares being reclassified as Ordinary "A" shares, the "B1" & "B2" shares as Ordinary "B" shares and the "H1" & "H2" being reclassified as "H" Ordinary £1 shares. Following this there was a reduction of the "H" share capital and a subdivision and a reclassification of the remaining "H" shares into "I" Ordinary £0.0001 shares. Also, during the year, 299,405 "I" Ordinary shares of £0.0001 each were issued at par value and an additional 50,000 "I" Ordinary shares arose from a reclassification of "H" shares.

The "A" and "B" shares rank pari passu except for the voting rights on special or extraordinary resolutions where the "B" shares have one and one half votes for each "A" share.

The "I" shares have no entitlement to dividends, no entitlement to vote but have a limited right to share in the assets on a winding up and in the proceeds of sale on an Exit Event (as defined in the Articles).

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2019****25. Note to the statement of cash flows****(a) Reconciliation of profit to net cash (outflow)/inflow from operating activities**

	2019 £'000	2018 £'000
Group operating profit for the year	5,101	5,725
Depreciation of tangible fixed assets	275	243
Amortisation of intangible assets	2,281	1,622
(Increase)/ decrease in stocks	(36)	56
(Increase)/ decrease in debtors within one year	(769)	138
(Decrease)/ increase in creditors within one year	(1,474)	2,023
Increase/ (decrease) in creditors after more than one year	200	(42)
Increase/ (decrease) in provisions	187	(464)
Corporation tax paid	(1,437)	(967)
Contribution to employee benefit trust	(132)	(211)
Exceptional items	-	(157)
Profit on sale of a participating interest	-	189
Dividends Receivable	-	25
Net cash inflow from operating activities	<u>4,196</u>	<u>8,180</u>

Net cash inflow from operating activities was impacted adversely by £2m during the year to 31 December 2019 because of some seasonality in the newly acquired Metropolis Financial Platforms Limited, which was acquired in March 2019, and delayed invoicing in the latter half of the year in the rest of the group. The £2m is expected to unwind in 2020.

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2018 £'000	Group 2017 £'000	Parent 2018 £'000	2017 £'000
Cash at bank and in hand	1,830	3,625	-	-
Cash and cash equivalents	<u>1,830</u>	<u>3,625</u>	<u>-</u>	<u>-</u>

METROPOLIS GROUP LIMITED

(formerly M New Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

26. Financial instruments

	Group		Parent	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Financial assets:				
Listed investments - measured at fair value which is market value	16,607	15,023	-	-
Interest rate SWAP measured at fair value	1	39	-	-
Financial liabilities - measured at amortised cost:				
Bank Loans	12,092	12,729	-	-
Trade Creditors	2,348	2,064	-	-

27. Related party transactions

The group has taken advantage of the exemption available in paragraph 33.1A of FRS102 whereby it has not disclosed transactions between any wholly owned subsidiary undertakings in the group.

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured and interest free.

Short term investments

The short-term investments of £16,606,520 (2018: £15,023,103) are invested in an FCA regulated fund which invests in liquid listed securities. This fund is managed by an FCA regulated company that Mr J G Mills, the group's ultimate controlling party, is a director and shareholder of.

28. Post balance sheet event

The Company changed its name to Metropolis Group Limited on 4 March 2020.

29. Control

Mr J G Mills is the ultimate controlling party and shareholder of the company