

MONEYHUB FINANCIAL TECHNOLOGY LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2018

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MONEYHUB FINANCIAL TECHNOLOGY LTD

COMPANY INFORMATION

Directors

Mr R Gordon (appointed 21 February 2018)
Mr D Scholey (appointed 21 February 2018)
Ms S Seaton
Mr D Tonge (appointed 21 February 2018)
Mr W Turner (appointed 21 February 2018)
Mr T Alsworth-Elvey (resigned 2 February 2018)
Mr J Barnard (resigned 2 February 2018)
Mr A Cartman (resigned 22 September 2017)
Mr N Dunkley (resigned 2 February 2018)
Mr T Hughes (resigned 22 September 2017)
Mr F Van Heerden (resigned 2 February 2018)

Registered number

06909772

Registered office

10 Temple Back,
Bristol,
England, BS1 6FL

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**DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

The directors present their report and the financial statements for the period ended 28 February 2018.

Overview

The Company went through a number of changes during the period 1 July 2017 to 28 February 2018. Under the ownership of MMI Holdings (UK) Ltd a decision was made to remove all non-core activities from the group and focus solely on core areas of the business. This resulted in Momentum Financial Technology reducing headcount from 35 to 13 and becoming Moneyhub Financial Technology Ltd (MFT). The opportunity arose for a Management Buy Out (MBO) of MFT which was successfully completed on the 31 January 2018. As part of this process MFT was released from a large amount debt (circa £12.3m) and a new funding facility was put in place to cover short term working capital requirements. A fund raise to secure the most appropriate investors for Moneyhub's future commenced and was successfully completed on the 8 November 2018. Since the 28 February the Company has gone from strength to strength.

Business Strategy

Whilst the MBO took place the business strategy developed to prepare for Open Banking legislative changes in effect on 13 January 2018 and 18 January 2018. We obtained two new FCA permissions, Account Information Service Provider (AISP) and Payment Initiation Service Provider (PISP), which has positioned us as the leading Fintech company in relation to Open Banking services in the UK. The permissions enable Moneyhub to provide banking level services to our enterprise clients without needing to be a bank. The focus of the business is to enhance the lifetime financial wellness of people, businesses and their communities. The people first platform enables our enterprise clients to provide products and services to their particular target audience in a highly personalised and timely manner.

Industry traction

We have won a number of industry awards including "Best in Show" at the Festival of Financial Planning "Biggest Customer Impact" at the Lloyds Build an Open Bank Challenge, "Highly Commended" at the Schroders UK Platform Awards. Our CTO is a founding member of Financial Data & Technology Association (FDATA), cochair of the Financial API Working Group and involved in standards work across Open Banking UK, IETF, ISO and the OpenID Foundation.

Our CEO recently won Fintech woman of the year.

Nationwide Building Society (NBS) has recently taken a minority stake in the business. This validates the robustness of our proposition and demonstrates the benefits at an individual and enterprise level of data aggregation, categorisation and insight led, actionable nudges. Moneyhub's platform and API gateway, shows the potential of Open Banking, AI based data analysis and a customer first culture to power a step change in how financial services is delivered.

A number of key client contracts have been secured from a variety of industry sectors including Asset/Wealth Management, Employment Benefit Consultancies and Lenders.

We are now referred to as the Wealth Pioneers in Open Banking.

MONEYHUB FINANCIAL TECHNOLOGY LTD

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2018

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the period were:

Mr R Gordon (appointed 21 February 2018)
Mr D Scholey (appointed 21 February 2018)
Ms S Seaton
Mr D Tonge (appointed 21 February 2018)
Mr W Turner (appointed 21 February 2018)
Mr T Alsworth-Elvey (resigned 2 February 2018)
Mr J Barnard (resigned 2 February 2018)
Mr A Cartman (resigned 22 September 2017)
Mr N Dunkley (resigned 2 February 2018)
Mr T Hughes (resigned 22 September 2017)
Mr F Van Heerden (resigned 2 February 2018)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

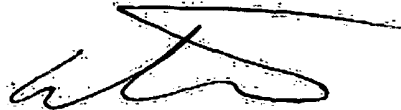
MONEYHUB FINANCIAL TECHNOLOGY LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr W Turner
Director

Date: 28/11/2018

10 Temple Back,
Bristol,
England, BS1 6FL

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONEYHUB FINANCIAL TECHNOLOGY LTD

Opinion

We have audited the financial statements of MoneyHub Financial Technology Ltd (the 'Company') for the period ended 28 February 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Company's affairs as at 28 February 2018 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Auditors' 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 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONEYHUB FINANCIAL TECHNOLOGY LTD (CONTINUED)

Opinion 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the 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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 an Auditors' 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.

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 Auditors' report.

MONEYHUB FINANCIAL TECHNOLOGY LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONEYHUB FINANCIAL TECHNOLOGY LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Simon Morrison FCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square

Bristol
BS1 4NT

Date: 29/11/2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	Note	2018 £	2017 £
Turnover	4	72,058	386,324
Cost of sales		(10,658)	(423,423)
Gross profit/(loss)		61,400	(37,099)
Administrative expenses		(2,050,252)	(4,113,428)
Operating loss	5	(1,988,852)	(4,150,527)
Interest receivable and similar income		32	-
Interest payable and expenses		(6,176)	(438)
Loss before tax		(1,994,996)	(4,150,965)
Tax on loss	8	-	40,063
Loss for the financial period		(1,994,996)	(4,110,902)
Other comprehensive income for the period			
Total comprehensive income for the period		(1,994,996)	(4,110,902)

The notes on pages 11 to 20 form part of these financial statements.

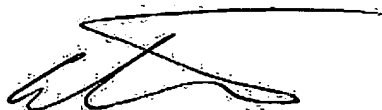
MONEYHUB FINANCIAL TECHNOLOGY LTD
REGISTERED NUMBER:06909772

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2018

	Note	28 February 2018 £	30 June 2017 £
Fixed assets			
Intangible assets	9	433,262	535,832
Tangible assets	10	127,734	438,470
		<u>560,996</u>	<u>974,302</u>
Current assets			
Debtors: amounts falling due within one year	11	249,045	115,405
Current asset investments	12	1,250	1,250
Cash at bank and in hand		555,216	107,599
		<u>805,511</u>	<u>224,254</u>
Creditors: amounts falling due within one year	13	(380,082)	(631,648)
Net current assets/(liabilities)		<u>415,429</u>	<u>(407,394)</u>
Total assets less current liabilities		<u>976,425</u>	<u>566,908</u>
Creditors: amounts falling due after more than one year	14	(1,033,277)	(10,850,000)
Net liabilities		<u>(56,852)</u>	<u>(10,283,092)</u>
Capital and reserves			
Called up share capital	15	99	99
Share premium account		213,639	213,639
Profit and loss account		(270,590)	(10,496,830)
		<u>(56,852)</u>	<u>(10,283,092)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr W Turner
 Director

Date: 28/11/2018

The notes on pages 11 to 20 form part of these financial statements.

MONEYHUB FINANCIAL TECHNOLOGY LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	99	213,639	(10,496,830)	(10,283,092)
Comprehensive income for the period				
Loss for the period	-	-	(1,994,996)	(1,994,996)
Other comprehensive Income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(1,994,996)	(1,994,996)
Capitalisation/bonus issue	-	-	12,221,236	12,221,236
Total transactions with owners	-	-	12,221,236	12,221,236
At 28 February 2018	99	213,639	(270,590)	(56,852)

The notes on pages 11 to 20 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2016	99	213,639	(6,385,928)	(6,172,190)
Comprehensive income for the year				
Loss for the year	-	-	(4,110,902)	(4,110,902)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(4,110,902)	(4,110,902)
Total transactions with owners	-	-	-	-
At 30 June 2017	99	213,639	(10,496,830)	(10,283,092)

The notes on pages 11 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

1. General information

The principal activity of Moneyhub Financial Technology Ltd is that of connecting consumers with financial products and services through the innovative use of technology. During the year, the company undertook further development of its Moneyhub financial technology to better serve the needs of both its individual and financial advisory customers.

The company is a private company limited by shares and is incorporated and domiciled in England. The registered office address is 10, Temple Back, Bristol, BS1 6FL, England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day-to-day working capital requirements through loans from advance subscriptions and external financing. Following the year end the company secured additional equity finance of £2.85m. The company's forecasts and projections, taking into account reasonable possible changes in trading performance, show that the company should be able to operate within facilities provided by its lenders. After making enquiries, the directors have reasonable expectation that the company have access to adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Revenue recognition

The company generates fees from the sale/licensing of financial technology to consumers and businesses.

Revenue from the sale of software licenses to consumers is recognised on a straight line basis over the period of the license. Fees arising from the provision of financial technology and associated services to businesses are recognised by reference to the delivery of separately identifiable components using the percentage of completion method. All revenue is measured at the fair value of the consideration received or receivable and is net of Value Added Tax.

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.8 Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Research and development

Research expenditure is written off in the period in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	10% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances.

We do not believe there to be any critical accounting judgements in the financial statements.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic life of intangible assets

The intangible asset held in the company's balance sheet relates to the capitalisation of development costs relating to Moneyhub. The annual amortisation charge for these assets is sensitive to the estimated useful economic life and residual value of the asset. We have assessed these in determining the current rate of amortisation, based on current market trends, future technological advancement and growth in the financial technology sector.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Rendering of services	72,058	386,324
	72,058	386,324

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	41,020	69,472
Amortisation of intangible assets	102,570	153,856
Other operating lease rentals	140,825	253,539
Finance lease interest	559	438
Loss on disposal of tangible assets	267,022	2,563
Defined contribution plans expense	94,478	248,512

6. Auditors' remuneration

	2018	2017
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,100	18,600

7. Employees

The average monthly number of employees, including directors, during the period was 22 (2017: 36).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018

8. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	(40,063)
	<u>-</u>	<u>(40,063)</u>
Total current tax	<u>-</u>	<u>(40,063)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(40,063)</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2017: the same as) the standard rate of corporation tax in the UK of 19% (2017: 19%) as set out below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(1,994,996)</u>	<u>(4,150,965)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	(379,049)	(819,815)
Effects of:		
Expenses not deductible for tax purposes	58,275	43,384
Effect of capital allowances and depreciation	26,820	7,651
Utilisation of tax losses	-	768,780
Surrender of prior period losses to associated company	-	(40,063)
Unrelieved tax losses carried forward	293,954	-
Total tax charge for the period/year	<u>-</u>	<u>(40,063)</u>

Factors that may affect future tax charges

The Finance Act 2016, which was substantively enacted on 15 September 2016, further reduced the main rate of corporation tax to 17% with effect from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018

9. Intangible assets

	Computer software £
Cost	
At 1 July 2017	769,278
At 28 February 2018	769,278
Amortisation	
At 1 July 2017	233,446
Charge for the year	102,570
At 28 February 2018	336,016
Net book value	
At 28 February 2018	433,262
At 30 June 2017	535,832

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018

10. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 July 2017	347,005	142,892	77,453	52,761	620,111
Additions	-	-	1,506	-	1,506
Disposals	(347,005)	(31,299)	(13,895)	-	(392,199)
At 28 February 2018	-	111,593	65,064	52,761	229,418
Depreciation					
At 1 July 2017	80,058	32,157	35,536	33,890	181,641
Charge for the period on owned assets	20,242	9,291	9,735	1,752	41,020
Disposals	(100,300)	(9,773)	(10,904)	-	(120,977)
At 28 February 2018	-	31,675	34,367	35,642	101,684
Net book value					
At 28 February 2018	-	79,918	30,697	17,119	127,734
At 30 June 2017	266,947	110,735	41,917	18,871	438,470

11. Debtors

	28 February 2018 £	30 June 2017 £
Trade debtors	243	30,742
Other debtors	23,296	37,970
Prepayments and accrued income	71,623	46,693
Tax recoverable	153,883	-
	249,045	115,405

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018

12. Current asset investments

	28 February 2018 £	30 June 2017 £
Other investments	1,250	1,250
	<u>1,250</u>	<u>1,250</u>

Current asset investments comprise stocks, shares and investment funds held exclusively for the purpose of testing the personal financial management software the company is developing.

13. Creditors: amounts falling due within one year

	28 February 2018 £	30 June 2017 £
Bank overdrafts	-	2,126
Other loans	121,149	-
Trade creditors	88,814	166,136
Amounts owed to group undertakings	-	75,335
Other taxation and social security	30,770	81,039
Obligations under finance lease and hire purchase contracts	-	3,819
Other creditors	8,085	27,286
Accruals and deferred income	141,264	275,907
	<u>390,082</u>	<u>631,648</u>

Amounts due to group undertakings in the prior year were unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2018

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

	28 February 2018 £	30 June 2017 £
Other loans	981,982	-
Amounts owed to group undertakings	-	10,850,000
Accruals and deferred income	51,295	-
	<u>1,033,277</u>	<u>10,850,000</u>

Amounts owed to group undertakings in the prior year were unsecured, interest bearing and had no fixed date of repayment.

Following a share buy-back by the management of the company in February 2018, £12.2 million in amounts due to the parent undertaking were written off to reserves. Loans issued by the previous parent following the management buy out ("other loans") are unsecured, interest bearing, subordinated loans and have a repayment date of two years from the date of the loan agreement. Any extensions to this period are governed by the Share Purchase Agreement.

15. Share capital

	28 February 2018 £	30 June 2017 £
ALLOTTED, CALLED UP AND FULLY PAID		
99 (2017: 99) Ordinary shares shares of £1.00 each	<u>99</u>	<u>99</u>

16. Pension commitments

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £94,478 (2017: £248,512).

17. Commitments under operating leases

At 28 February 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2018 £	30 June 2017 £
Not later than 1 year	66,550	338,052
Later than 1 year and not later than 5 years	-	490,175
	<u>66,550</u>	<u>828,227</u>