

Momentum Financial Technology Ltd
Annual Report and Financial Statements
30 June 2016



Momentum Financial Technology Ltd

Annual Report and Financial Statements

Year ended 30 June 2016

Contents	Page
Directors' report	3
Independent auditors' report	5
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

Momentum Financial Technology Ltd

Directors' Report

Year ended 30 June 2016

The directors present their report and the audited financial statements Momentum Financial Technology Ltd ('the company') for the year ended 30 June 2016.

Principal Activities

The principal activity of the company continues to be that of connecting consumers with financial products and services through the innovative use of technology. The company continues to operate a number of websites and also undertook a number of email marketing campaigns, and continues to develop its financial technology Moneyhub.

Directors

The directors who served the company during the year were as follows:

Mr T Hughes
Mr A Cartman
Mr J Barnard
Mr N Dunkley
Mr F Van Heerden

After the end of the financial year Samantha Seaton and Thinus Alsworth-Elvey were appointed as directors on 1 October 2016 and 9 January 2017 respectively.

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 prepared 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 (FRS 102).

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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Momentum Financial Technology Ltd

Directors Report *(continued)*

Year ended 30 June 2016

Disclosure of information to auditors

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

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

Going concern

The company meets its day-to-day working capital requirements through loans from its immediate parent undertaking. 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 parent undertaking. After making enquiries, the directors have a reasonable expectation that the company has adequate resources, including access to funds from its immediate parent, to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board of directors on 9 May 2017 and signed on behalf of the board by:



Mr A Cartman
Director

Registered office:
10 Templeback
Bristol
BS1 6FL
9 May 2017

Independent auditors' report to the members of Momentum Financial Technology Ltd

Report on the financial statements

Our opinion

In our opinion, Momentum Financial Technology Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

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

- the statement of financial position as at 30 June 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice),

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Momentum Financial Technology Ltd (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf, Bristol BS2 0FR

10 May 2017

Momentum Financial Technology Ltd

Statement of Comprehensive Income

For the year ended 30 June 2016

		2016	2015
	Note	£	£
Turnover	3	745,057	1,044,076
Cost of sales		(660,739)	(673,548)
Gross profit		<u>84,318</u>	<u>370,528</u>
Administrative expenses		(3,492,225)	(2,704,957)
Operating loss	4	<u>(3,407,907)</u>	<u>(2,334,429)</u>
Other interest receivable and similar income		20	–
Interest payable and similar charges		(233,966)	(69,221)
Loss on ordinary activities before taxation		<u>(3,477,627)</u>	<u>(2,403,650)</u>
Tax on loss on ordinary activities	6	278,592	(93,207)
Loss for the financial year and total comprehensive expense		<u>(3,363,261)</u>	<u>(2,496,857)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 19 form part of these financial statements.

Momentum Financial Technology Ltd

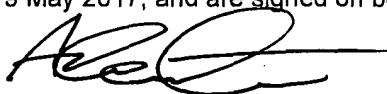
Statement of Financial Position

As at 30 June 2016

	Note	£	2016 £	2015 £
Fixed assets				
Intangible assets	7		689,688	256,756
Tangible assets	8		507,801	536,573
			<u>1,197,489</u>	<u>793,329</u>
Current assets				
Debtors	9	261,509		336,762
Investments	10	1,250		1,250
Cash at bank and in hand		369,524		227,472
		<u>632,283</u>		<u>565,484</u>
Creditors: amounts falling due within one year	11	<u>(1,101,963)</u>		<u>(1,071,033)</u>
Net current liabilities			<u>(469,680)</u>	<u>(505,549)</u>
Total assets less current liabilities			<u>727,809</u>	<u>287,780</u>
Creditors: amounts falling due after more than one year	12		<u>(6,900,000)</u>	<u>(3,000,000)</u>
Provisions for liabilities				
Deferred tax	14		-	(96,710)
Net liabilities			<u>(6,172,191)</u>	<u>(2,808,930)</u>
Capital and reserves				
Called up share capital	16		99	99
Share premium account			213,639	213,639
Retained earnings			(6,385,929)	(3,022,668)
Total shareholders' deficit			<u>(6,172,191)</u>	<u>(2,808,930)</u>

The notes on pages 10-19 are an integral part of these financial statements.

The financial statements on pages 7-19 were approved by the board of directors and authorised for issue on 9 May 2017, and are signed on behalf of the board by:



Mr A Cartman
Director
9 May 2017

Company registration number: 06909772

Momentum Financial Technology Ltd

Statement of Changes in Equity

For the year ended 30 June 2016

	Called up share capital £	Share premium account £	Retained earnings £	Total shareholders' funds / (deficit) £
At 1 July 2014	93	213,587	(525,811)	(312,131)
Loss for financial year and total comprehensive expense	–	–	(2,496,857)	(2,496,857)
Exercise of options, rights and warrants	6	52	–	58
Total investments by and distributions to owners	6	52	–	58
At 30 June 2015	99	213,639	(3,022,668)	(2,808,930)
Loss for the financial year and total comprehensive expense	–	–	(3,363,261)	(3,363,261)
At 30 June 2016	99	213,639	(6,385,929)	(6,172,191)

The notes on pages 10 to 19 form part of these financial statements.

Momentum Financial Technology Ltd

Notes to the Financial Statements

For the year ended 30 June 2016

1. General information and statement of compliance

The principal activity of Momentum Financial Technology Limited ('the company') is that of connecting consumers with financial products and services through the innovative use of technology. The company operates a number of financial websites, undertakes email-marketing campaigns, and provides its Moneyhub financial technology to individuals and professional advisors.

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. During the prior year the company changed its name from Blue Speck Financial Ltd to Momentum Financial Technology Ltd.

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102 including the exemption from preparing a statement of cash flows under FRS 102 paragraph 1.12(b) and from disclosing the Company key management personal compensation under FRS 102 paragraph 33.7.

The financial statements of the company are consolidated into the financial statements of MMI Holdings Limited which can be obtained from The Company Secretary, Momentum, PO Box 7400, Centurion, 0046, South Africa.

Going concern

The company meets its day-to-day working capital requirements through loans from its immediate parent undertaking. 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 parent undertaking. After making enquiries, the directors have a reasonable expectation that the company have access to adequate resources, including access to funds from its immediate parent, to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

2. Accounting policies *(continued)*

Critical accounting judgements and 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 expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgement – deferred tax asset

The company has significant unutilised tax losses. To recognise a deferred tax asset in respect of these losses the Directors have to satisfy themselves that it is probable that the asset will be recovered against future taxable profits. In forming this opinion the progress of the company against business objectives are reviewed in conjunction with detailed future forecasts. The deferred tax treatment of unutilised losses is reviewed regularly to ensure that the accounting treatment is consistent with current information and up to date financial forecasts.

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 a 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 annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, and economic utilisation.

Revenue recognition

The company generates fees from email and internet based lead generation and the sale/licensing of financial technology to consumers and businesses.

The company recognises lead generation based revenue and associated costs in the period the lead is generated. Revenue from the sale of software licences to consumers is recognised on a straight-line basis over the period of the licence. 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.

Cost of sales and operating expenses

Cost of sales comprises commissions and fees payable in respect of email campaigns as well as pay per click and content marketing costs payable to third parties to generate internet traffic. All other costs, including paid search costs relating to general marketing and promotion, are included within operating expenses.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

2. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantially enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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 of 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 economic 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

2. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	10% straight line
Fixtures and fittings	-	10% straight line
Computer Equipment	-	20% straight line
Websites and domains	-	10% straight line

Impairment of fixed and intangible assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. The company does not capitalise borrowing costs

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

2. Accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank deposits, deposits held with a maturity of less than three months, bank overdrafts and credit card balances. Bank overdrafts and credit card balances are netted against cash balances where a specific legal write to set off exists otherwise they are shown within borrowings in current liabilities.

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>745,057</u>	<u>1,044,076</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating loss

Operating loss is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	64,867	30,044
Amortisation of intangible assets	79,590	–
(Profit)/Loss on disposal of tangible assets	(31)	2,386
Operating lease rentals	253,539	143,441
Finance lease interest	240	–
Defined contribution plans expense	<u>231,648</u>	<u>105,489</u>

5. Auditors' remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>£17,400</u>	<u>17,900</u>

In addition non-audit related costs of £4,160 were incurred during the year relating to the audit of a grant application claim. In the prior year, non audit related costs of £5,500 were incurred relating to advice concerning the transition to new UK GAAP.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

6. Tax on loss on ordinary activities

Major components of tax (credit)/charge

	2016 £	2015 £
Current tax:		
Group relief payments	(181,882)	–
Total current tax	(181,882)	–
Deferred tax:		
Deferred tax asset in respect of current period unutilised tax losses	(161,872)	–
Origination and reversal of timing differences	81,761	93,207
Impact of change in tax rate	(16,599)	–
Total deferred tax	<u>(96,710)</u>	<u>93,207</u>
Tax on loss on ordinary activities	<u>(278,592)</u>	<u>93,207</u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Loss on ordinary activities before taxation	<u>(3,641,853)</u>	<u>(2,429,673)</u>
Loss on ordinary activities by rate of tax	(728,731)	(510,231)
Effect of expenses not deductible for tax purposes	29,156	649
Effect of capital allowances and depreciation	123,551	93,207
Unused tax losses	446,808	509,582
Impact of change in tax rate	32,506	–
Surrender of prior period losses to associated company	(181,882)	–
Tax on loss on ordinary activities	<u>(278,592)</u>	<u>93,207</u>

The Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015, reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020.

On 16 March 2016, the Government announced that the corporation tax rate applicable from 1 April 2020 would be 17%.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

7. Intangible assets

	Development costs £
Cost	
At 1 Jul 2015	256,756
Additions from internal developments	512,522
At 30 June 2016	<u>769,278</u>
Accumulated amortisation	
At 1 Jul 2015	-
Charge for the year	79,590
At 30 Jun 2016	<u>79,590</u>
Carrying amount	
At 30 June 2016	<u>689,688</u>
At 30 June 2015	<u>256,756</u>

Development costs comprise the on-going cost of developing an updated version of Moneyhub, the company's personal financial management software.

8. Tangible assets

	Short leasehold property £	Fixtures and fittings £	Computer equipment £	Websites and domains £	Total £
Cost					
At 1 Jul 2015	337,760	130,334	65,688	52,761	586,543
Additions	9,245	10,742	16,660	-	36,647
Disposals	-	-	(1,125)	-	(1,125)
At 30 Jun 2016	<u>347,005</u>	<u>141,076</u>	<u>81,223</u>	<u>52,761</u>	<u>622,065</u>
Accumulated depreciation					
At 1 Jul 2015	11,259	4,528	5,550	28,633	49,970
Charge for the year	34,099	13,504	14,635	2,629	64,867
Disposals	-	-	(573)	-	(573)
At 30 Jun 2016	<u>45,358</u>	<u>18,032</u>	<u>19,612</u>	<u>31,262</u>	<u>114,264</u>
Carrying amount					
At 30 Jun 2016	<u>301,647</u>	<u>123,044</u>	<u>61,611</u>	<u>21,499</u>	<u>507,801</u>
At 30 Jun 2015	<u>326,501</u>	<u>125,806</u>	<u>60,138</u>	<u>24,128</u>	<u>536,573</u>

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

9. Debtors

	2016	2015
	£	£
Trade debtors	50,389	16,081
Other debtors	211,120	320,681
	<u>261,509</u>	<u>336,762</u>

10. Investments

	2016	2015
	£	£
Other investments	<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.

11. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	7,455	4,073
Trade creditors	290,448	377,830
Amounts owed to group undertakings	277,329	225,998
Taxation and social security	60,248	26,194
Other creditors	466,483	436,938
	<u>1,101,963</u>	<u>1,071,033</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2016	2015
	£	£
Amounts owed to group undertakings	6,900,000	3,000,000
	<u>6,900,000</u>	<u>3,000,000</u>

Amounts owed to group undertakings are unsecured, interest bearing, have no fixed date of repayment but are repayable with two years notice.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

13. Deferred tax

The deferred tax liability included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 14)	-	(96,710)

The deferred tax asset/(liability) account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	(161,872)	(96,710)
Unutilised tax losses	161,872	
	-	(96,710)

As at 30 June 2016 the company had £5,131,409 of unutilised tax losses (2015: £3,333,352).

14. Provisions for liabilities

	Deferred tax (note 13) £
At 1 July 2015	96,710
Amount netted against deferred tax asset	(96,710)
At 30 June 2016	-

15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £231,648 (2015: £105,489).

16. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £0.001 each	98,761	99	98,761	99

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2016

17. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	338,052	188,114
Later than 1 year and not later than 5 years	828,227	1,166,279
Later than 5 years	-	-
	<u>1,166,279</u>	<u>1,354,393</u>

18. Finance leases

The total future minimum lease payments under finance leases are as follows:

	2016	2015
	£	£
Not later than 1 year	1,596	-
Later than 1 year and not later than 5 years	5,586	-
Later than 5 years	-	-
	<u>7,182</u>	<u>-</u>

Included within fixtures and fittings (note 8) are tangible fixed assets with a carrying value of £5,399 that are held under finance leases.

19. Controlling party and related party transactions

The immediate parent undertaking is MMI Holdings (UK) Limited.

The ultimate parent undertaking is MMI Holdings Limited a company based in South Africa. Copies of the MMI Holdings Limited consolidated financial statements can be obtained from the Company Secretary at Momentum, PO Box 7400, Centurion, 0046, South Africa.

There were no related party transactions during the year, except for employer contributions into the company's defined contribution pension scheme.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

20. Events after the end of the reporting period

Following a period of declining revenues, on 17 March 2017 the company announced that it was to cease all email marketing activity. During the current financial year such activity contributed £685,364 to the turnover of the company and £205,122 to its gross profit.