

**MONEYHUB FINANCIAL TECHNOLOGY LTD**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 28 FEBRUARY 2019**



**MONEYHUB FINANCIAL TECHNOLOGY LTD**  
**REGISTERED NUMBER:06909772**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	9	279,407	433,262
Tangible assets	10	101,478	127,734
		<u>380,885</u>	<u>560,996</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	11	1,947,977	249,077
Current asset investments	12	1,250	1,250
Cash at bank and in hand		332,691	555,184
		<u>2,281,918</u>	<u>805,511</u>
Creditors: amounts falling due within one year	13	(623,000)	(390,082)
<b>NET CURRENT ASSETS</b>		<u>1,658,918</u>	<u>415,429</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,039,803</u>	<u>976,425</u>
Creditors: amounts falling due after more than one year	14	(1,237,199)	(1,033,277)
<b>NET ASSETS/(LIABILITIES)</b>		<u>802,604</u>	<u>(56,852)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	99	99
Share premium account		213,639	213,639
Profit and loss account		588,866	(270,590)
		<u>802,604</u>	<u>(56,852)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Mr W Turner  
 Director



Date:

29/01/19

The notes on pages 2 to 11 form part of these financial statements.

# MONEYHUB FINANCIAL TECHNOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

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### 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 Regus House, 1 Friary, Bristol, England, BS1 6EA.

### 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 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. The company secured additional equity finance of £2.85m in the year. 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: THE COMPANY AS LESSEE

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.

#### 2.5 BORROWING COSTS

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019

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2. ACCOUNTING POLICIES (continued)

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.

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:

**2. ACCOUNTING POLICIES (continued)**

**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.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. ACCOUNTING POLICIES (continued)

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.

4. TURNOVER

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

	2019 £	2018 £
Rendering of services	67,735	20,764
	<u>67,735</u>	<u>20,764</u>

All turnover arose within the United Kingdom.

## MONEYHUB FINANCIAL TECHNOLOGY LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

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#### 5. OPERATING LOSS

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	26,633	41,020
Amortisation of intangible assets	153,855	102,570
Finance lease interest	-	559
Loss on disposal of tangible assets	-	267,022
Defined contribution plans expense	84,689	94,478
	<u>84,689</u>	<u>94,478</u>

#### 6. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,500	9,415
	<u>9,500</u>	<u>9,415</u>

#### 7. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Employees	13	22
	<u>13</u>	<u>22</u>

**MONEYHUB FINANCIAL TECHNOLOGY LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**8. TAXATION**

	2019 £	2018 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	(51,294)	(51,294)
	<u>(51,294)</u>	<u>(51,294)</u>
<b>TOTAL CURRENT TAX</b>		
	<u>(51,294)</u>	<u>(51,294)</u>
<b>DEFERRED TAX</b>		
<b>TOTAL DEFERRED TAX</b>	<u>-</u>	<u>-</u>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(51,294)</u>	<u>(51,294)</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD**

The tax assessed for the year/period is the same as (2018:the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%) as set out below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(1,797,732)</u>	<u>(2,046,290)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018:19%)	(341,569)	(379,049)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	10,744	58,275
Effect of capital allowances and depreciation	-	26,820
Adjustments to tax charge in respect of prior periods	26,960	-
Non-taxable income	(308)	-
Unrelieved tax losses carried forward	252,879	242,660
<b>TOTAL TAX CHARGE FOR THE YEAR/PERIOD</b>	<u>(51,294)</u>	<u>(51,294)</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 YEAR ENDED 28 FEBRUARY 2019

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9. INTANGIBLE ASSETS

	Computer software £
<b>COST</b>	
At 1 March 2018	769,278
At 28 February 2019	<u>769,278</u>
<b>AMORTISATION</b>	
At 1 March 2018	336,016
Charge for the year	153,855
At 28 February 2019	<u>489,871</u>
<b>NET BOOK VALUE</b>	
At 28 February 2019	<u>279,407</u>
At 28 February 2018	<u>433,262</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
<b>COST OR VALUATION</b>				
At 1 March 2018	111,593	65,064	52,761	229,418
Additions	377	-	-	377
At 28 February 2019	<u>111,970</u>	<u>65,064</u>	<u>52,761</u>	<u>229,795</u>
<b>DEPRECIATION</b>				
At 1 March 2018	31,675	34,367	35,642	101,684
Charge for the year on owned assets	11,154	12,850	2,629	26,633
At 28 February 2019	<u>42,829</u>	<u>47,217</u>	<u>38,271</u>	<u>128,317</u>
<b>NET BOOK VALUE</b>				
At 28 February 2019	<u>69,141</u>	<u>17,847</u>	<u>14,490</u>	<u>101,478</u>
At 28 February 2018	<u>79,918</u>	<u>30,697</u>	<u>17,119</u>	<u>127,734</u>

11. DEBTORS

	2019 £	2018 £
Trade debtors	309,599	243
Amounts owed by group undertakings	1,599,431	-
Other debtors	11,156	23,328
Prepayments and accrued income	27,791	71,623
Tax recoverable	-	153,883
	<u>1,947,977</u>	<u>249,077</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019

12. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
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

	2019 £	2018 £
Other loans	-	121,149
Trade creditors	263,079	88,814
Other taxation and social security	26,900	30,770
Other creditors	17,411	8,085
Accruals and deferred income	315,610	141,264
	<u>623,000</u>	<u>390,082</u>

Other loans in the prior year were unsecured, interest bearing at LIBOR + 2%, and have a repayment date of five years from the date of the loan agreement.

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

	2019 £	2018 £
Other loans	1,237,199	981,982
Accruals and deferred income	-	51,295
	<u>1,237,199</u>	<u>1,033,277</u>

Other loans consists of amounts issued by the previous parent following the management buy out, and are unsecured, interest bearing at LIBOR + 2%, subordinated loans and have a repayment date of five years from the date of the loan agreement. Any extensions to this period are governed by the Share Purchase Agreement.

15. SHARE CAPITAL

	2019 £	2018 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
99 (2018:99) Ordinary shares shares of £1.00 each	<u>99</u>	<u>99</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019

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**16. PENSION COMMITMENTS**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £84,689 (2018: £94,478).

**17. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 28 February 2019 was unqualified.

The audit report was signed on 29/11/2019 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming Bath Limited.