

Momentum Financial Technology Ltd
Annual Report and Financial Statements
30 June 2017



Momentum Financial Technology Ltd

Annual Report and Financial Statements

Year ended 30 June 2017

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 2017

The directors present their report and the audited financial statements Momentum Financial Technology Ltd ('the company') for the year ended 30 June 2017.

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. During the year, the company continued to operate a number of websites and also undertook a number of email marketing campaigns, and continued to develop its financial technology Moneyhub. In March 2017 the company announced it was to cease all email marketing activity with immediate effect. Furthermore during July 2017 the company announced it was to focus on its Moneyhub technology and reduce substantially its website activity.

Directors

The directors who served the company during the year and up to the date of signing of the financial statements were as follows:

Mr T Hughes
Mr A Cartman
Mr J Barnard
Mr N Dunkley
Mr F Van Heerden
Mrs Samantha Seaton (appointed 1st October 2016)
Mr Thinus Alsworth-Elvey (appointed 9th January 2017)

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 2017

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 6 September 2017 and signed on behalf of the board by:



Mr A Cartman
Director

Registered office:
10 Temple Back
Bristol
BS1 6FL
6 September 2017

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

Report on the audit of the financial statements

Opinion

In our opinion, Momentum Financial Technology Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2017; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

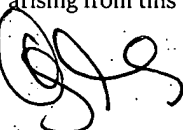
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.



Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
6 September 2017

Momentum Financial Technology Ltd

Statement of Comprehensive Income

For the year ended 30 June 2017

		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		2017	2017	2017	2016	2016	2016
	Note	£	£	£	£	£	£
Turnover	3	41,900	344,424	386,324	59,693	685,364	745,057
Cost of sales		(212,103)	(211,319)	(423,422)	(178,887)	(481,852)	(660,739)
Gross profit		(170,203)	133,105	(37,098)	(119,194)	203,512	84,318
Administrative expenses		(4,042,771)	(70,657)	(4,113,428)	(3,481,450)	(10,775)	(3,492,225)
Operating loss	4	(4,212,974)	62,448	(4,150,526)	(3,600,644)	192,737	(3,407,907)
Other interest receivable and similar income		-	-	-	20	-	20
Interest payable and similar charges		(438)	-	(438)	(233,966)	-	(233,966)
Loss on ordinary activities before taxation		(4,213,412)	62,448	(4,150,964)	(3,834,590)	192,737	(3,641,853)
Tax on loss on ordinary activities	6	40,063	-	40,063	292,546	(13,954)	278,592
Loss for the financial year and total comprehensive expense		(4,173,349)	62,448	(4,110,901)	(3,542,044)	178,783	(3,363,261)

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 2017

	Note	£	2017 £	2016 £
Fixed assets				
Intangible assets	7		535,832	689,688
Tangible assets	8		438,470	507,801
			<u>974,302</u>	<u>1,197,489</u>
Current assets				
Debtors	9	78,199		182,535
Investments	10	1,250		1,250
Cash at bank and in hand		107,599		369,524
		<u>187,048</u>		<u>553,309</u>
Creditors: amounts falling due within one year	11	<u>(594,442)</u>		<u>(1,022,989)</u>
Net current liabilities			(407,394)	(469,680)
Total assets less current liabilities			<u>566,908</u>	<u>727,809</u>
Creditors: amounts falling due after more than one year	12		<u>(10,850,000)</u>	<u>(6,900,000)</u>
Net liabilities			<u>(10,283,092)</u>	<u>(6,172,191)</u>
Capital and reserves				
Called up share capital	15		99	99
Share premium account			213,639	213,639
Retained earnings			(10,496,830)	(6,385,929)
Total shareholders' deficit			<u>(10,283,092)</u>	<u>(6,172,191)</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 6 September 2017, and are signed on behalf of the board by:


Mr A Cartman
Director
6 September 2017

Company registration number: 06909772

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

Momentum Financial Technology Ltd

Statement of Changes in Equity

For the year ended 30 June 2017

	Called up share capital	Share premium account	Retained earnings	Total shareholders' deficit
	£	£	£	£
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	<u>99</u>	<u>213,639</u>	<u>(6,385,929)</u>	<u>(6,172,191)</u>
Loss for the financial year and total comprehensive expense	-	-	(4,110,901)	(4,110,901)
At 30 June 2017	<u>99</u>	<u>213,639</u>	<u>(10,496,830)</u>	<u>(10,283,092)</u>

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 2017

1. General information and statement of compliance

The principal activity of Momentum Financial Technology Ltd ('the company') is that of connecting consumers with financial products and services through the innovative use of technology. During the year the company operated a number of financial websites, undertook email-marketing campaigns, and provided its Moneyhub financial technology to individuals and professional advisors. During the financial period the company made changes to its activities as discussed in note 20.

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.

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. All accounting policies have been applied consistently.

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 2017

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 intangible asset held in the company's balance sheet relates to 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 this 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.

Revenue recognition

The company generated 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 2017

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 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 2017

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.

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 2017

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:

	2017	2016
	£	£
Rendering of services	<u>386,324</u>	<u>745,057</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):

	2017	2016
	£	£
Depreciation of tangible assets	69,472	64,867
Amortisation of intangible assets	153,856	79,590
Loss/(Profit) on disposal of tangible assets	2,563	(31)
Operating lease rentals	253,539	253,539
Finance lease interest	438	240
Defined contribution plans expense	<u>248,512</u>	<u>231,648</u>

5. Auditors' remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>£18,600</u>	<u>17,400</u>

In addition, non-audit related costs of £4,160 were incurred during the year ended 30 June 2016 relating to the audit of a grant application claim. There are no non-audit related costs during the current year.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2017

6. Tax on loss on ordinary activities

Major components of tax (credit)/charge

	2017 £	2016 £
Current tax:		
Group relief payments	(40,063)	(181,822)
Total current tax	(40,063)	(181,882)
Deferred tax:		
Deferred tax asset in respect of current period unutilised tax losses	55,421	(161,872)
Origination and reversal of timing differences	(55,421)	81,761
Impact of change in tax rate	-	(16,599)
Total deferred tax	<u>-</u>	<u>(96,710)</u>
Tax on loss on ordinary activities	<u>(40,063)</u>	<u>(278,592)</u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	<u>(4,150,964)</u>	<u>(3,641,853)</u>
Loss on ordinary activities by rate of tax	(819,815)	(728,731)
Effect of expenses not deductible for tax purposes	43,384	29,156
Effect of capital allowances and depreciation	7,651	123,551
Unused tax losses	768,780	446,808
Impact of change in tax rate	-	32,506
Surrender of prior period losses to associated company	(40,063)	(181,882)
Tax on loss on ordinary activities	<u>(40,063)</u>	<u>(278,592)</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.

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.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2017

7. Intangible assets

	Development costs
	£
Cost	
At 1 Jul 2016	769,278
Additions from internal developments	-
At 30 June 2017	<u><u>769,278</u></u>
Accumulated amortisation	
At 1 Jul 2016	79,590
Charge for the year	153,856
At 30 Jun 2017	<u><u>233,446</u></u>
Carrying amount	
At 30 June 2017	<u><u>535,832</u></u>
At 30 June 2016	<u><u>689,688</u></u>

Development costs comprise the historic cost of developing Moneyhub, the company's personal financial management software. There was no further capitalisation during the year ended 30 June 2017.

8. Tangible assets

	Short leasehold property	Fixtures and fittings	Computer equipment	Websites and domains	Total
	£	£	£	£	£
Cost					
At 1 Jul 2016	347,005	141,076	81,223	52,761	622,065
Additions	-	1,816	2,358	-	4,174
Disposals	-	-	(6,128)	-	(6,128)
At 30 Jun 2017	<u><u>347,005</u></u>	<u><u>142,892</u></u>	<u><u>77,453</u></u>	<u><u>52,761</u></u>	<u><u>620,111</u></u>
Accumulated depreciation					
At 1 Jul 2016	45,358	18,032	19,612	31,262	114,264
Charge for the year	34,700	14,125	18,019	2,628	69,472
Disposals	-	-	(2,095)	-	(2,095)
At 30 Jun 2017	<u><u>80,058</u></u>	<u><u>32,157</u></u>	<u><u>35,536</u></u>	<u><u>33,890</u></u>	<u><u>181,641</u></u>
Carrying amount					
At 30 Jun 2017	<u><u>266,947</u></u>	<u><u>110,735</u></u>	<u><u>41,917</u></u>	<u><u>18,871</u></u>	<u><u>438,470</u></u>
At 30 Jun 2016	<u><u>301,647</u></u>	<u><u>123,044</u></u>	<u><u>61,611</u></u>	<u><u>21,499</u></u>	<u><u>507,801</u></u>

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2017

9. Debtors

	2017	2016
	£	£
Trade debtors	30,742	50,389
Other debtors	47,457	132,146
	<u>78,199</u>	<u>182,535</u>

Other debtors have been re-presented to remove the gross up of prepayments relating to rent and rates with a value of £78,974 as at 30 June 2016.

10. Investments

	2017	2016
	£	£
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

	2017	2016
	£	£
Bank loans and overdrafts	2,126	7,455
Trade creditors	166,134	211,474
Amounts owed to group undertakings	75,336	277,329
Taxation and social security	71,120	60,248
Other creditors	279,726	466,483
	<u>594,442</u>	<u>1,022,989</u>

Trade creditors has been re-presented to remove the gross up of creditors relating to rent and rates with a value of £78,974 as at 30 June 2016.

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

	2017	2016
	£	£
Amounts owed to group undertakings	<u>10,850,000</u>	<u>6,900,000</u>
	<u>10,850,000</u>	<u>6,900,000</u>

Amounts owed to group undertakings are unsecured, interest bearing, have no fixed date of repayment but are repayable with two years' notice. Group undertaking waived their right to interest for the current financial year.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2017

13. Deferred tax

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

	2017	2016
	£	£
Accelerated capital allowances	(106,451)	(161,872)
Unutilised tax losses	106,451	161,872
	<u>-</u>	<u>-</u>

As at 30 June 2017 the company had £7,855,382 of unutilised tax losses (2016: £4,165,677).

14. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £248,512 (2016: £231,648).

15. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary shares of £0.001 each	98,761	99	98,761	99

16. Operating leases

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

	2017	2016
	£	£
Not later than 1 year	338,052	338,052
Later than 1 year and not later than 5 years	490,175	828,227
Later than 5 years	-	-
	<u>828,227</u>	<u>1,166,279</u>

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 June 2017

17. Finance leases

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

	2017	2016
	£	£
Not later than 1 year	1,596	1,596
Later than 1 year and not later than 5 years	3,990	5,586
Later than 5 years	-	-
	<u>5,586</u>	<u>7,182</u>

Included within fixtures and fittings (note 8) are tangible fixed assets with a carrying value of £4,840 that are held under finance leases.

18. 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 MMI Holdings Limited, 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.

19. Discontinued operations

Following a period of declining revenues, on 17 March 2017 the company announced that it was to cease all email marketing activity. By 30 June 2017 all activity had ceased. During the current financial year such activity contributed £344,424 (2016: £685,364) to the turnover of the company and £133,105 to its gross profit (2016: £203,512).

20. Events after the end of the reporting period.

During July 2017 it was announced that the company intends to cease marketing financial products via its direct to consumer website. Revenue generated during the year was £12,807 (2016: £40,789) and the activity contributed (£32,967) to its gross profit (2016: (£33,952)).