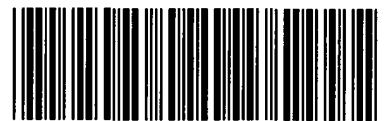


Momentum Financial Technology Ltd
Annual Report and Financial Statements
(Formerly Blue Speck Financial Ltd)
30 June 2015

WEDNESDAY



A53V6008

A24

30/03/2016

#234

COMPANIES HOUSE

Momentum Financial Technology Ltd

Annual Report and Financial Statements

Year ended 30 June 2015

Contents	Page
Directors' report	1
Independent auditors' report	4
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

Momentum Financial Technology Ltd

Directors' Report

Year ended 30 June 2015

The directors present their report and the audited financial statements Momentum Financial Technology Ltd ('the company'), previously named Blue Speck Financial Ltd, for the year ended 30 June 2015.

Principal Activity

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 continued to operate a number of websites and also undertook a number of email marketing campaigns, and continued 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	(Appointed 17 November 2014)
Mr J Barnard	(Appointed 19 February 2015)
Mr N Dunkley	(Appointed 13 November 2014)
Mr F Van Heerden	(Appointed 8 August 2014)

Other matters

The directors note that the comparative figures included within these financial statements are unaudited.

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 2015

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 auditor is 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 auditor is aware of that information.

Going concern

The company meets its day-to-day working capital requirements through its loan facility with 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 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 24 September 2015 and signed on behalf of the board by:



Mr A Cartman
Director

Registered office:
10 Templeback
Bristol
BS1 6FL

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 2015 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 comprise:

- the statement of financial position as at 30 June 2015;
- 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland".

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 in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 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 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 and Financial Statements 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.

Other matter

The financial statements for the period ended 30 June 2014, being the corresponding figures of the financial statements for the year ended 30 June 2015, are unaudited.



Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf, Bristol BS2 0FR
24 September 2015

Momentum Financial Technology Ltd

Statement of Comprehensive Income

Year ended 30 June 2015

		Year to 30 Jun 15	Unaudited Period from 1 Oct 13 to 30 Jun 14
	Note	£	£
Turnover	3	1,044,076	742,676
Cost of sales		(673,548)	(491,596)
Gross profit		370,528	251,080
Administrative expenses		(2,704,957)	(864,341)
Other operating income		–	68,649
Operating loss	4	(2,334,429)	(544,612)
Other interest receivable and similar income		–	18
Interest payable and similar charges		(69,221)	(5,858)
Loss on ordinary activities before taxation		(2,403,650)	(550,452)
Tax on loss on ordinary activities	6	(93,207)	(7,046)
Loss for the financial year/period and total comprehensive expense		<u>(2,496,857)</u>	<u>(557,498)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

Momentum Financial Technology Ltd

Statement of Financial Position

30 June 2015

	Note	2015		Unaudited 2014
		£	£	£
Fixed assets				
Intangible assets	7		256,756	–
Tangible assets	8		536,573	17,571
			<u>793,329</u>	<u>17,517</u>
Current assets				
Stocks		–		22,115
Debtors	9	336,762		109,643
Investments	10	1,250		–
Cash at bank and in hand		227,472		33,058
		<u>565,484</u>		<u>164,816</u>
Creditors: amounts falling due within one year	11	<u>(1,071,033)</u>		<u>(331,015)</u>
Net current liabilities			<u>(505,549)</u>	<u>(166,199)</u>
Total assets less current liabilities			<u>287,780</u>	<u>(148,628)</u>
Creditors: amounts falling due after more than one year	12		<u>(3,000,000)</u>	<u>(160,000)</u>
Provisions				
Deferred tax	14		<u>(96,710)</u>	<u>(3,503)</u>
Net liabilities			<u>(2,808,930)</u>	<u>(312,131)</u>
Capital and reserves				
Called up share capital	18		99	93
Share premium account			213,639	213,587
Profit and loss account			<u>(3,022,668)</u>	<u>(525,811)</u>
Shareholders deficit			<u>(2,808,930)</u>	<u>(312,131)</u>

The notes on pages 10-22 are an integral part of these financial statements.

The financial statements on pages 7-22 were approved by the board of directors and authorised for issue on 24 September 2015, and are signed on behalf of the board by:



Mr A Cartman
Director

Company registration number: 06909772

Momentum Financial Technology Ltd

Statement of Changes in Equity

Year ended 30 June 2015

	Called up share capital £	Share premium account £	Profit and loss account £	Total funds / (deficit) £
At 1 October 2013 (unaudited)	89	154,991	(125,344)	29,736
Loss for financial period and total comprehensive expense			(557,498)	(557,498)
Credit relating to equity settled share based payments			157,031	157,031
Issue of shares	4	58,596	–	58,600
Total investments by and distributions to owners	4	58,596	–	58,600
At 30 June 2014	93	213,587	(525,811)	(312,131)
Loss for the 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)

The notes on pages 10 to 22 form part of these financial statements.

Momentum Financial Technology Ltd

Notes to the Financial Statements

Year ended 30 June 2015

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, professional advisors, and enterprises.

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 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.

The comparative period included in these financial statements is nine months in length as the accounting reference date was changed to be coterminous with that of the ultimate parent undertaking. Consequently the comparative information may not be directly comparable to the current financial year.

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.

The comparative information included in these financial statements is unaudited as the company did not require an audit in the prior year.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2013. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 21.

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).

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 its loan facility with 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 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)*

Year ended 30 June 2015

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.

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.

Change in accounting policy

During the year the company reviewed the useful economic life of all its tangible assets. As a consequence of this review the estimated useful life of fixtures and fittings as well as websites and domains were reassessed. For both these categories the estimated useful economic life was extended from 3 to 10 years. The effect of this change is that the net book value of tangible fixed assets is estimated to be £16,597 higher at 30 June 2015. Consequently current year profits are £16,597 higher as a result of this change.

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)*

Year ended 30 June 2015

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)*

Year ended 30 June 2015

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.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

2. Accounting policies *(continued)*

Government grants *(continued)*

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

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)*

Year ended 30 June 2015

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:

	Year to 30 Jun 15 £	Unaudited Period from 1 Oct 13 to 30 Jun 14 £
Rendering of services	<u>1,044,076</u>	<u>742,676</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:

	Year to 30 Jun 15 £	Unaudited Period from 1 Oct 13 to 30 Jun 14 £
Depreciation of tangible assets	30,044	11,016
Loss on disposal of tangible assets	2,386	-
Equity-settled share-based payments expense	-	157,031
Operating lease rentals	143,441	-
Defined contribution plans expense	<u>105,489</u>	<u>-</u>

5. Auditors' remuneration

	Year to 30 Jun 15 £	Unaudited Period from 1 Oct 13 to 30 Jun 14 £
Fees payable for the audit of the financial statements	<u>17,900</u>	<u>-</u>

In addition non-audit related costs of £5,500 were incurred during the year relating to advice concerning the transition to new UK GAAP.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

6. Tax on loss on ordinary activities

Major components of tax expense

	Year to 30 Jun 15 £	Unaudited Period from 1 Oct 13 to 30 Jun 14 £
Current tax:		
Adjustments in respect of prior periods	–	(38,543)
Deferred tax:		
Origination and reversal of timing differences	93,207	45,589
Tax on loss on ordinary activities	<u>93,207</u>	<u>7,046</u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 21% (2014: 20%), (2014: unaudited).

	Year to 30 Jun 15 £	Unaudited Period from 1 Oct 13 to 30 Jun 14 £
Loss on ordinary activities before taxation	<u>(2,429,673)</u>	<u>(550,452)</u>
Loss on ordinary activities by rate of tax	(510,231)	(110,090)
Adjustment to tax charge in respect of prior periods	–	(38,543)
Effect of expenses not deductible for tax purposes	649	31,785
Effect of capital allowances and depreciation	93,207	45,589
Unused tax losses	509,582	78,305
Tax on loss on ordinary activities	<u>93,207</u>	<u>7,046</u>

The budget on 8 July 2015 announced reductions to the main rate of corporation tax to 19% from 2017 and 18% from 2018. However as these changes are not yet substantially enacted and were not effective at the balance sheet date, their effects are not included in these financial statements.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

7. Intangible assets

	Development costs £
Cost	
Additions from internal developments	256,756
At 30 June 2015	<u>256,756</u>
Accumulated amortisation	
At 1 Jul 2014 and 30 Jun 2015	<u>–</u>
Carrying amount	
At 30 June 2015	<u>256,756</u>
At 30 June 2014	<u>–</u>

Development costs comprise the on-going cost of developing an updated version of MoneyHub, the company's personal financial management software. Amortisation will commence when the software is available for use by consumer and business customers.

8. Tangible assets

	Short leasehold property £	Fixtures and fittings £	Computer equipment £	Websites and domains £	Total £
Cost					
At 1 Jul 2014 (unaudited)	–	5,038	3,620	49,905	58,563
Additions	337,760	130,525	64,361	18,786	551,432
Disposals	–	(5,229)	(2,293)	(15,930)	(23,452)
At 30 Jun 2015	<u>337,760</u>	<u>130,334</u>	<u>65,688</u>	<u>52,761</u>	<u>586,543</u>
Accumulated depreciation					
At 1 Jul 2014 (unaudited)	–	1,396	2,609	36,987	40,992
Charge for the year	11,259	5,975	5,234	7,576	30,044
Disposals	–	(2,843)	(2,293)	(15,930)	(21,066)
At 30 Jun 2015	<u>11,259</u>	<u>4,528</u>	<u>5,550</u>	<u>28,633</u>	<u>49,970</u>
Carrying amount					
At 30 Jun 2015	<u>326,501</u>	<u>125,806</u>	<u>60,138</u>	<u>24,128</u>	<u>536,573</u>
At 30 Jun 2014	<u>–</u>	<u>3,642</u>	<u>1,011</u>	<u>12,918</u>	<u>17,571</u>

9. Debtors

	2015 £	Unaudited 2014 £
Trade debtors	16,081	6,913
Other debtors	320,681	102,730
	<u>336,762</u>	<u>109,643</u>

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

10. Investments

	2015	Unaudited 2014
	£	£
Other investments	<u>1,250</u>	<u>-</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

	2015	Unaudited 2014
	£	£
Bank loans and overdrafts	4,073	448
Trade creditors	377,830	248,153
Amounts owed to group undertakings	225,998	-
Social security and other taxes	26,194	44,972
Other creditors	436,938	37,442
	<u>1,071,033</u>	<u>331,015</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

	2015	Unaudited 2014
	£	£
Amounts owed to group undertakings	3,000,000	-
Other creditors	-	160,000
	<u>3,000,000</u>	<u>160,000</u>

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

Other creditors £nil (2014 - £160,000, (unaudited)) relates to loans to former shareholders of the company that were repaid during the year.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

13. Deferred tax

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

	2015	Unaudited 2014
	£	£
Included in provisions (note 14)	<u>96,710</u>	<u>3,503</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015	Unaudited 2014
	£	£
Accelerated capital allowances	<u>96,710</u>	<u>3,503</u>

As at 30 June 2015 the company had £3,333,352 of unutilised tax losses (2014: £383,237, (unaudited)).

14. Provisions

	Deferred tax (note 13) £
At 1 July 2014 (unaudited)	3,503
Additions	93,207
At 30 June 2015	<u>96,710</u>

15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £105,489 (2014: £Nil, (unaudited)).

16. Share-based payments

On 9th August 2013, 23 October 2013 and 10 January 2014 share options qualifying under the Enterprise Management Incentive ("EMI") scheme were granted to 10 members of staff. The contractual life of an option was 10 years and the exercise of an option was subject to continued employment by the company. There were no other performance conditions. At 30 June 2014 9 members of staff continued to be employed by the company and held options over 5,735 ordinary shares with a nominal value of £0.001. The exercise price of all these options was £0.01. A contract for the sale of the company, subject to regulatory approval, was signed on 30 April 2014. Following receipt of regulatory approval the company was acquired by MMI Holdings (UK) Limited on 11 July 2014 and all 5,735 options vested and were exercised by staff.

17. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2015	Unaudited 2014
	£	£
Recognised in other operating income:		
Government grant income	<u>-</u>	<u>68,649</u>

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

18. Called up share capital

Issued, called up and fully paid

	2015		Unaudited 2014	
	No	£	No	£
Ordinary shares of £0.001 each	98,761	99	93,026	93

19. Operating leases

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

	2015	Unaudited 2014
	£	£
Not later than 1 year	188,114	20,680
Later than 1 year and not later than 5 years	1,166,279	20,680
Later than 5 years		-
	<u>1,354,393</u>	<u>41,360</u>

20. 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.

21. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2013.

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

21. Transition to FRS 102 *(continued)*

Reconciliation of equity (unaudited)

	1 October 2013			30 June 2014		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	33,339	–	33,339	17,571	–	17,571
Current assets	298,408	–	298,408	164,816	–	164,816
Creditors: amounts falling due within one year	(290,715)	(1,296)	(292,011)	(319,839)	(11,176)	(331,015)
Net current assets /(liabilities)	7,693	(1,296)	6,397	(155,023)	(11,176)	(166,199)
Total assets less current liabilities	41,032	(1,296)	39,736	(137,452)	(11,176)	(148,628)
Creditors: amounts falling due after more than one year	(10,000)	–	(10,000)	(160,000)	–	(160,000)
Provisions	–	–	–	(3,503)	–	(3,503)
Net assets /(liabilities)	31,032	(1,296)	29,736	(300,955)	(11,176)	(312,131)
Capital and reserves	31,032	(1,296)	29,736	(300,955)	(11,176)	(312,131)

Reconciliation of loss for the period (unaudited)

	Period ended 30 June 2014		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	742,676	–	742,676
Cost of sales	(491,596)	–	(491,596)
Gross profit	251,080	–	251,080
Administrative expenses	(697,430)	(166,911)	(864,341)
Other operating income	68,649	–	68,649
Operating loss	(377,701)	(166,911)	(544,612)
Other interest receivable and similar income	18	–	18
Interest payable and similar charges	(5,858)	–	(5,858)
Tax on loss on ordinary activities	(7,046)	–	(7,046)
Loss for the financial period	(390,587)	(166,911)	(557,498)

Momentum Financial Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2015

21. Transition to FRS 102 *(continued)*

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the period ended 30 June 2014. The date of transition to FRS 102 was 1 October 2013. Set out above are the changes in accounting policies which reconcile the loss for the period ended 30 June 2014 and the total equity as at 1 October 2013 and 30 June 2014 between UK GAAP as previously reported and FRS 102.

Holiday pay accrual

FRS 102 requires short-term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £1,296 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the period to 30 June 2014 an additional charge of £9,880 was recognised in the profit and loss account and the liability at 30 June 2014 was £11,176.

Share based payments

FRS 102 requires an expense, measured at fair value, in respect of share based payments to be recognised in the profit and loss account. The company previously applied the Financial Reporting Standard for Small Entities ("FRSSE") and as such was exempt from applying 'FRS 20 Share-based Payment'. This has resulted in the company recognising an expense of £157,031 for the period to 30 June 2014 on transition to FRS 102. The company has elected to apply the share based payment provisions of FRS 102 to equity instruments that were granted before the date of transition.