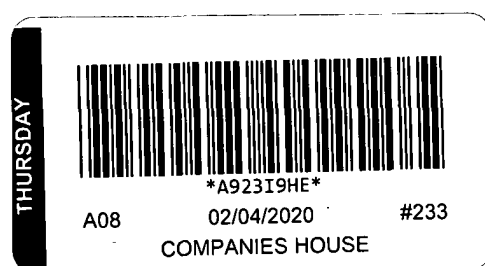


COMPANY REGISTRATION NR: 8766487

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
(FORMERLY MMI HOLDINGS (UK) LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2019



MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

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MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

DIRECTORS AND OFFICERS

Directors

F van Heerden

N Dunkley

P Mann

J Cilliers

J Barnard

Registered Office

The Rex Building

62 Queen Street

London

EC4R 1EB

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants & Statutory Auditors

7 More London Riverside

London

SE1 2RT

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

STRATEGIC REPORT

The directors present their Strategic report on Momentum Metropolitan Holdings (UK) Limited (formerly MMI Holdings (UK) Limited) (the "Company") for the year ended 30 June 2019.

Review of the Business

The Company acts as an intermediate holding company for investments in international subsidiary companies of the Momentum Metropolitan Group.

The Company was incorporated on 7 November 2013 and it is a wholly owned subsidiary undertaking of Momentum Metropolitan Strategic Investments (Pty) Limited (formerly MMI Holdings Strategic Investments (Pty) Limited), a South African incorporated entity whose parent is Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited), which is listed on the Johannesburg Stock Exchange in South Africa.

During the year the Company disposed of its two subsidiaries based in Hong Kong (subject to regulatory approvals). Various drawdowns were settled on its commitments to the Anthemis Venture Fund 1 LLP and the Anthemis Exponential Ventures LLP.

The operating loss for the year was £397,029 (2018: operating profit of £355,168). The total comprehensive expense for the year was £413,923 (2018: £16,004,496). The total assets as at the end of the year were £32,881,827 (2018: £29,359,968). The net liability as at the end of the year was £1,444,972 (2018: £1,031,049).

Principal Risks and Uncertainties

The principal risks faced by the Company are (1) poor financial performance by its subsidiaries which could increase working capital requirements (2) foreign exchange movements relating to cash and debtors which are not based in functional currency (3) fall in the market value of investments and (4) other issues such as ones affecting reputation, in one or more of the companies in which it has invested, resulting in a permanent diminution in the value of its investments.

The Company monitors its principle risks through its Enterprise Risk Management Framework together with board and / or management representation of its subsidiaries. Unrealised fair value gains / losses on investments are assessed against the investment objectives of the investment.

Key Performance Indicators (KPIs)

Given the nature of the Company, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

On behalf of the Board



F van Heerden

Director

31 March 2020

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the Company for the year ended 30 June 2019.

Share Capital

The total number of issued ordinary shares is 22,359,144.

Financial Risk Management

The financial risk management objectives and policies of the Company are disclosed in Note 2 to the financial statements.

Dividends

No dividend was proposed or paid during the current year (2018: £nil).

Policy and Practice on Payment of Creditors

The Company does not follow any code or standard on the payment of its creditors. The Company's policy is either to abide by the suppliers' terms or to agree terms of payment when agreeing the terms of a transaction with a supplier.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

F van Heerden

N Dunkley

P Mann

J Cilliers

J Barnard (appointed 25 March 2019)

T Alsworth-Elvey (resigned 9 August 2018)

GA Owen (resigned 25 March 2019)

FJC Truter (resigned 9 August 2018)

S Muller (resigned 9 August 2018)

Directors' Interests and Indemnity Arrangements

At no time during the year did any director hold a material interest in any contract of significance with the Company other than indemnity insurance cover for all directors of the Company.

The Company has purchased and maintained throughout the year and up to the date of this report, director and officers' liability insurance in respect of itself and the directors via the Momentum Metropolitan Group Insurance scheme.

DIRECTORS' REPORT (continued)

Directors' Emoluments

All the directors who were in office during the year were employed and paid by companies within the Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited) group and their directorships were held as part of that employment. No director received any emoluments or other benefits from the Company or from any other company in the Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited) group, in respect of services to the Company.

Future Developments

The Company will continue its normal activities for the foreseeable future, focused on the remaining subsidiaries of the Company.

Going Concern

The Company is in a net liability position at the end of the current financial year and has been issued a letter of support from its parent Momentum Metropolitan Strategic Investments (Pty) Limited (formerly MMI Holdings Strategic Investments (Pty) Limited), who intend to support the Company for at least one year after these financial statements are signed.

Prior to the execution of these financial statements, the COVID-19 pandemic took hold and significantly impacted markets. As a result, the Company performed a further assessment of its going concern and did not identify any material indication that this may no longer be an appropriate basis of preparation for these financial statements. Included in the assessment was that of currency exposure of the balance sheet which indicated that the currency movements as a result of COVID-19 were in the entity's favor, based on its currency exposure.

The directors therefore believe that preparing the financial statements on the going concern basis is appropriate in light of this support as well as the Covid-19 assessment results, and further note that they have not identified any material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

Events after the reporting period

With effect from 1st July 2019 the ultimate controlling company changed its name from MMI Holdings Limited (MMI) to Momentum Metropolitan Holdings Limited (MMH). As a result, all subsidiaries containing MMI in their name were subsequently renamed to Momentum Metropolitan, including the Company which changed its name from MMI Holdings (UK) Limited to Momentum Metropolitan Holdings (UK) Limited effective from 1st August 2019.

Following the year end, the Company disposed of its investments in two Hong Kong subsidiaries that it held at the balance sheet date, i.e. Financial Partners Limited and Momentum Operations Limited, with the effective dates of the transactions being 31 July 2019 and 1st August 2019, respectively.

Statement of Directors' Responsibilities

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. The directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

DIRECTORS' REPORT (continued)

- 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.

Statement of disclosure of information to Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment was proposed and approved at the last annual General Meeting.

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as each of the directors are aware, there is no relevant audit information (as defined in section 418(3) of the Companies Act 2006) of which the Company's auditors are unaware; and
- each of the directors has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information (as defined in section 418(3) of the Companies Act 2006) and to establish that the Company's auditors are aware of that information.

On behalf of the Board



F van Heerden

Director

31 March 2020

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

***Independent auditors' report to the members of Momentum Metropolitan Holdings (UK) Limited
(formerly MMI Holdings (UK) Limited)***

Report on the audit of the financial statements

Opinion

In our opinion, Momentum Metropolitan Holdings (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 2019; the Statement of Comprehensive Income, the Statement of Cash Flows 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

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.

We have nothing to report in respect of the above matters.

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 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 or, 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 Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

Independent auditors' report (continued)

Reporting on other information (continued)

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.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 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 Strategic Report and Directors' Report.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

Sarah Chandler

Sarah Chandler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 March 2020


MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
 STATEMENT OF FINANCIAL POSITION
 As at 30 June 2019

	Note	2019 £	2018 £ (restated)	1 June 2017 £ (restated)
ASSETS				
Non-current assets				
Investment in subsidiaries	3	2,263,184	2,940,576	3,215,984
Trade and other receivables	4	25,461,103	16,105,776	24,652,956
Current assets				
Trade and other receivables	4	-	21,026	280
Prepayments	5	110,444	105,126	-
Financial assets at fair value through profit or loss	6	3,081,062	1,627,670	1,366,231
Cash and cash equivalents	7	1,288,638	8,559,794	7,391,798
Non-current assets held for sale	8	677,396	-	-
Total Assets		32,881,827	29,359,968	36,627,249
EQUITY AND LIABILITIES				
Equity attributable to owners of the company				
Share capital	9	22,359,144	22,359,144	14,720,834
Retained earnings		(23,804,116)	(23,390,193)	(7,385,697)
Total equity		(1,444,972)	(1,031,049)	7,335,137
Liabilities				
Non-current liabilities				
Trade and other payables	10	27,903,713	23,839,499	24,834,792
Current liabilities				
Trade and other payables	10	6,370,144	6,479,534	4,457,320
Current income tax liability		52,942	71,984	-
Total equity and liabilities		32,881,827	29,359,968	36,627,249

The notes from page 14 to 24 are an integral part of these financial statements.

The financial statements on pages 10 to 24 were approved by the Board of Directors on 31 March 2020 and were signed on its behalf by:


F van Heerden
 Director


J Barnard
 Director

Momentum Metropolitan Holdings (UK) Limited (formerly MMI Holdings (UK) Limited)
 Company Registration Number: 8766487

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
 STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 30 June 2019

	Note	2019 £	2018 £
Revenue		-	-
Administrative expenses	11	(474,090)	(331,718)
Other income	12	77,061	686,886
Operating (loss)/profit		(397,029)	355,168
Finance income	13	65,030	45,069
Finance expense	13	(37,409)	(21,409)
Other losses	14	(63,557)	(16,311,340)
Loss before income tax		(432,965)	(15,932,512)
Income Tax	15	19,042	(71,984)
Loss for the year		(413,923)	(16,004,496)
Other comprehensive income		-	-
Total comprehensive expense		(413,923)	(16,004,496)

All results are from continuing operations.

The notes from page 14 to 24 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
 STATEMENT OF CHANGES IN EQUITY
 For the year ended 30 June 2019

	Ordinary Shares £	Accumulated losses £	Total Equity £
Balance as at 1 July 2017	14,720,834	(7,385,697)	7,335,137
Ordinary shares issued during the year	7,638,310	-	7,638,310
Total comprehensive expense and loss for the year	-	(16,004,496)	(16,004,496)
Balance as at 30 June 2018	22,359,144	(23,390,193)	(1,031,049)
Balance as at 1 July 2018	22,359,144	(23,390,193)	(1,031,049)
Ordinary shares issued during the year	-	-	-
Total comprehensive expense and loss for the year	-	(413,923)	(413,923)
Balance as at 30 June 2019	22,359,144	(23,804,116)	(1,444,972)

The notes from page 14 to 24 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED (formerly MMI Holdings (UK) Limited)
 STATEMENT OF CASH FLOWS
 For the year ended 30 June 2019

	Notes	2019 £	2018 £ (restated)
Cash flows (used in)/generated from operating activities			
Cash (used in)/generated from operations	17	(5,845,385)	1,405,775
Interest received	16	65,030	45,069
Interest paid	16	(37,409)	(21,409)
Net cash (used in)/generated from operating activities		(5,817,764)	1,429,435
Cash flows from investing activities			
Purchase of investment at fair value through profit and loss		(1,453,392)	(261,439)
Net cash generated from investment activities		(1,453,392)	(261,439)
Net (decrease)/increase in cash and cash equivalents		(7,271,156)	1,167,996
Cash and cash equivalents at beginning of year		8,559,794	7,391,798
Cash and cash equivalents at end of year		1,288,638	8,559,794

The notes from page 14 to 24 are an integral part of these financial statements.

General information

Momentum Metropolitan Holdings (UK) Limited (formerly MMI Holdings (UK) Limited) (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is The Rex Building, 62 Queen Street, London, EC4R 1EB.

1. Accounting policies

Accounting convention

The principal accounting policies applied by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as adopted by the European Union.

The Company prepares its financial statements on a going concern basis using the historical cost basis as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of audited financial statements in conformity with IFRSs, as adopted by the European Union, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

New standards and amendments to published standards effective in the year

The IASB issued the final version of IFRS 9 *Financial Instruments* in July 2014 which replaces IAS 39 *Financial Instruments: Recognition and Measurement* effective from periods beginning on or after 1 January 2018.

The standard introduces an approach to the classification of financial instruments that is based on contractual cash flows characteristics and models through which financial instruments are managed (business model). The standard amends the previous requirements in three main areas: (a) classification and measurement of financial assets, (b) impairment of financial assets, mainly by introducing a forward-looking expected loss impairment model and (c) hedge accounting including removing some of the restrictions on applying hedge accounting in IAS 39.

The company has assessed the estimated impact that the initial application will have on its financial statements based on the composition of the company's statement of financial position as at 30 June 2019. The majority of the company's debt instruments that are currently classified as designated at FVPL will satisfy the IFRS 9 conditions for classification as at FVPL and hence there will be no change to the accounting for these assets.

The standard has introduced a new expected credit loss (ECL) impairment model that will require more timely recognition of ECLs than under IAS 39. An impairment loss may now be recognized prior to a loss event occurring. This will require considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

The Company's financial assets will not be subjected to the new impairment model based on their measurement remaining at FVPL. Based on ongoing assessments the estimated impact is deemed immaterial.

Correction of reclassification error

The receivable and payable balances with related parties were classified as current in the prior year ended 30 June 2018 and 30 June 2017. This classification has been reviewed in the current year, in line with the terms of repayment of these related party balances and determined to be non-current.

1. Accounting policies (continued)

Correction of reclassification error (continued)

The prior year has been restated so that £16,105,776 (2017: £24,652,956) of current trade and other receivables has moved to non-current "Trade and other receivables" and £23,839,499 (2017: £24,834,792) of current trade and other payables has moved to non-current "Trade and other payables" financial statement line items in the Statement of Financial Position. This restatement has had no impact on the Statement of Comprehensive Income.

New standards and amendments to published standards effective in the next year

IFRS 16 Leases specifies how to recognise, measure, present and disclose leases. The standard will be replacing IAS 17 Leases for reporting periods beginning on or after 1 January 2019. The effective date for the Company will be 1 July 2019. The Company has no lease agreements on its books, hence IFRS 16 is not applicable.

Consolidated financial statements

The Company is a wholly owned subsidiary of Momentum Metropolitan Strategic Investments (Pty) Limited (formerly MMI Holdings Strategic Investments (Pty) Limited) and is included in the consolidated financial statements of its ultimate parent, Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited), which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006 and IAS 27 "Consolidated and separate financial statements" paragraph 10. Investments in subsidiaries are carried at cost less impairments.

Subsidiaries

The acquisition method of accounting is used to account for the acquisition of subsidiaries/business combinations. The cost of a business combination is the fair value of the purchase consideration given at the date of acquisition. Shares in subsidiary undertakings are stated at cost less impairments. The Company reviews the carrying value of its subsidiaries at each balance sheet date where there has been an indication that impairment has occurred. If the carrying value of a subsidiary undertaking or fixed asset is impaired, the carrying value is reduced through a charge to the statement of comprehensive income.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This classification is only met if the sale is highly probable and the assets or disposal groups are available for immediate sale.

Immediately before classification as held for sale, the measurement (carrying amount) of assets and liabilities in relation to a disposal group is recognised based upon the appropriate IFRS standards. On initial recognition as held for sale, the non-current assets and liabilities are recognised at the lower of the carrying amount and fair value less costs to sell.

The non-current assets and disposal groups held for sale will be reclassified immediately when there is a change in intention to sell.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Pound Sterling, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates prevailing at year end, in line with Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited).

1. Accounting policies (continued)

Foreign currency translation (continued)

Foreign currency transactions are translated into the functional currency using the Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited) month end rate.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost less impairment if the debt is not considered recoverable. A provision for impairment of trade receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of the receivables. Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other creditors

Other creditors represent post acquisition liabilities accounted for under the project unit credit method.

Administrative expenses

Expenses are accounted for on an accrual basis.

2. Financial Risk Management

2.1 Financial Risk Factors

The Company's activities expose it to a number of financial risks – market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and non-financial risks – mainly being reputational risk. Reputational risk is a key focus of the Company's senior management and of its governance and compliance structures.

The Risk Management Policy and risk appetite are set by the Board. The Audit and Risk Committee is established and authorised by the Board and responsible for managing the Company's risk and implementing the Company's Risk Management Policy formulated by the Board.

(a) Market risk

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from the United States Dollar, Euro and South African Rand as well as cash and outstanding loans.

(ii) Interest rate risk

Other than cash at bank, exposures to the assets of the collective investment scheme and the loans to and from group undertakings, the Company has no significant interest-bearing assets or liabilities.

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures on outstanding receivables. The accounts receivable relate to related party loans thus overall credit risk is inherently low.

2. Financial Risk Management (continued)

2.1 Financial Risk Factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to enable the Company to meet its liabilities as and when they fall due. This is done by a regular review of cash balances on the basis of expected cash flows.

At 30 June 2018 (restated)	Less than 1 month	1 to 3 months	3 to 12 months	Between 1 and 5 years
Trade and other payables	-	-	6,479,534	23,839,499
At 30 June 2019	Less than 1 month	1 to 3 months	3 to 12 months	Between 1 and 5 years
Trade and other payables	-	-	6,370,144	27,903,713

2.2 Sensitivity Analysis

The sensitivity analysis shows the exposure of the Company's post tax loss to changes in key variables, which are considered to be changes in foreign exchange rates and market values of investments.

A large proportion of the Company's cash, loans receivable, investments and liabilities are held in United States Dollars. If the functional currency had weakened / strengthened by 10% against the United States Dollar during the year to 30 June 2019, with all other variables held constant, pre-tax loss for the year would (decrease) / increase by (£1,121,004) / £1,370,116 (2018: (£1,091,650) / £1,334,238).

There is also exposure to the Euro through loans with related parties (included in Note 16). If the functional currency had weakened / strengthened by 10% against the Euro during the year to 30 June 2019, with all other variables held constant, pre-tax loss for the year would (decrease) / increase by (£1,008,853) / £1,233,043 (2018: (£933,953) / £1,141,498).

There is also exposure to the South African Rand through loans with related parties (included in Note 16). If the functional currency had weakened / strengthened by 10% against the Rand during the year to 30 June 2019, with all other variables held constant, pre-tax loss for the year would (decrease) / increase by (£2,539,926) / £2,103,042 (2018: (£2,107,412) / £1,749,168).

2.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure. To maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or capitalise existing loans.

2.4 Fair Value Estimation

The carrying value less impairment provision of trade receivables and payables approximate their fair values.

Financial instruments carried at fair value should be analysed by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

2. Financial Risk Management (continued)

2.4 Fair Value Estimation (continued)

The Company has an investment in the Anthemis Venture Fund 1 LP as shown below:

At 30 June 2018	Level 1	Level 2	Level 3	Total
Assets	£	£	£	£
Financial assets at fair value through profit or loss				
- Trading securities	-	1,627,670	-	1,627,670
Total assets	-	1,627,670	-	1,627,670

At 30 June 2019	Level 1	Level 2	Level 3	Total
Assets	£	£	£	£
Financial assets at fair value through profit or loss				
- Trading securities	-	-	3,081,062	3,081,062
Total assets	-	-	3,081,062	3,081,062

3. Investment in subsidiaries

	Note	2019 £	2018 £
The investment in subsidiaries comprises			
Investment - Anthemis Exponential Ventures LLP		232	230
Investment - EuroGuard Insurance Company PCC Ltd		2,220,834	2,220,834
Investment - Momentum Operations Ltd	8	-	594,578
Investment - Financial Partners Ltd	8	-	82,818
Investment - Momentum Africa Investments Management Ltd		42,118	42,116
		2,263,184	2,940,576

Name and address	Country of Incorporation	Nature of business	Interest
Anthemis Exponential Ventures LLP 5th Floor, 44 Great Marlborough Street, London, W1F 7JL	UK	Fintech investments	100%
EuroGuard Insurance Company PCC Ltd P.O. Box 703, Suite 931 A/B Europort, Gibraltar	Gibraltar	Contractual cell captive insurer	100%
Momentum Operations Ltd 9th Floor, Centre Mark II, 305-313 Queen's Road Central, Sheung Wan, Central, Hong Kong	Hong Kong	Investment distribution services	100%
Financial Partners Ltd 9th Floor, Centre Mark II, 305-313 Queen's Road Central, Sheung Wan, Central, Hong Kong	Hong Kong	Financial Intermediary	100%
Momentum Africa Investments Management Ltd 9th Floor, Centre Mark II, 305-313 Queen's Road Central, Sheung Wan, Central, Hong Kong	Mauritius	Asset management of property investments	100%

4. Trade and other receivables

	Note	2019 £	2018 £	1 June 2017 £
Non-current assets				
Receivables from related parties	16	25,461,103	16,105,776	24,652,956
Current assets				
VAT Recoverable		-	21,026	280
		25,461,103	16,126,802	24,653,236

5. Prepayments

	2019 £	2018 £
MFT Templeback - rental	110,444	105,126
	110,444	105,126

As part of the final sales agreement of MFT, the Company agreed to take on the Templeback offices in Bristol's leasing costs until such time as the offices can be sublet or the break in the lease is executed in December 2019.

6. Financial assets at fair value through profit or loss

Financial instruments are carried on the balance sheet at their fair value. The table below shows the fair value of all financial instruments and the carrying amount on the balance sheet. The fair value is the amount for which a financial asset could be exchanged between knowledgeable willing parties.

	2019 £	2018 £
Anthemis Venture Fund 1 LLP	3,081,062	1,627,670
	3,081,062	1,627,670

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,288,638	8,559,794
	1,288,638	8,559,794

The carrying value approximates fair value. The average interest rate earned on the above funds during the year was £nil (2018: £nil).

8. Non-current assets held for sale

	Note	2019 £	2018 £
Investment - Momentum Operations Ltd	3	594,578	-
Investment - Financial Partners Ltd	3	82,818	-
		677,396	-

On 22 July 2019 the Company received SFC Regulatory approval for the sale of Financial Partners Ltd. As a result, the investment in subsidiary for both Momentum Operations Limited and Financial Partners Limited has been reclassified as held for sale.

Following a strategic review of the international portfolios of the Momentum Metropolitan group, a decision was made to sell the Company's two subsidiaries in Hong Kong, i.e. Momentum Operations Limited and Financial Partners Limited. The Company received regulatory approval on 22 July 2019 from the Hong Kong regulator, the Securities and Futures Commission (SFC), to complete the sale of these two subsidiaries. As a result of this approval, the investments in these subsidiaries as recognised in the Statement of Financial Position, were reclassified as held for sale.

These subsidiaries were sold after the year end, with Financial Partners Limited being sold on 31 July 2019 and Momentum Operations Limited being sold on 1st August 2019.

9. Share capital

Ordinary shares	2019 £	2018 £
<i>Issued and fully paid:</i>		
22,359,144 (2018: 22,359,144) Ordinary Shares £1 each	22,359,144	22,359,144
Total issued ordinary share capital	22,359,144	22,359,144

10. Trade and other payables

	Note	2019 £	2018 £ (restated)	1 Jun 2017 £ (restated)
Non-current liabilities				
Amounts due to related parties	16	27,903,713	23,839,499	24,548,360
Current liabilities				
Amounts due to related parties	16	6,133,903	6,101,927	4,425,040
Accruals		236,241	377,607	32,280
Movement in contingent liability				
Opening balance		-	286,432	216,448
Business combination		-	(286,432)	69,984
		34,273,857	30,319,033	29,292,112

11. Administrative expenses

Operating (loss)/profit are determined after the following into account:

	2019 £	2018 £
Fees payable to the Company's auditors for the audit of the financial statements		
- Audit related assurance services	12,000	10,584
Fees payable to the Company's auditors for other services		
- Non audit services	17,190	22,510
Professional fees	17,380	10,450
Bank charges	531	393

Directors

The directors of the Company are paid by Momentum Global Investment Management Limited, an entity under the common control of Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited), for the services that they provide to entities across the group. The Company did not make any payments to the directors in the year (2018: £nil), and no allocations of their payments is done across the various entities within the group.

12. Other income

	2019 £	2018 £
Net foreign exchange profit	77,061	686,886
	<u>77,061</u>	<u>686,886</u>

13. Finance income and expenses

	Note	2019 £	2018 £
Interest Income	16	65,030	45,069
Interest Expense		(17,467)	-
Interest paid on group subordinated loan	16	(19,942)	(21,409)
		<u>27,621</u>	<u>23,660</u>

14. Other losses

	2019 £	2018 £
Losses on revaluation of financial assets at fair value through profit or loss	(63,557)	-
Losses on impairment of loan	-	(16,311,340)
	<u>(63,557)</u>	<u>(16,311,340)</u>

15. Income tax

	2019 £	2018 £
Normal taxation		
- United Kingdom corporate tax at 19% (2018: 20%)	-	-
- Adjustments in respect of prior years	19,042	(71,984)
Total taxation	19,042	(71,984)
Factors affecting the tax charge for the current year:		
Loss before tax	(432,965)	(15,932,512)
Tax at 19% (2018: 20%) thereon	-	-
<i>Income not subjected to tax:</i>		
Adjustments in respect of prior years	19,042	(71,984)
	19,042	(71,984)

The above disclosed tax rates are effective tax rates and have been calculated by pro-rating the appropriate UK Corporate Tax rates applicable during 2019.

16. Related Parties

The Company defines related parties as:

- The parent Company;
- Associate companies;
- Joint ventures;
- Fellow subsidiaries;
- Subsidiary undertakings;
- Key management personnel as the Board of Directors;
- Close family members of key management personnel (individual's spouse/domestic partner and children; domestic partner's children and dependants of the individual or domestic partner); and
- Enterprises which are controlled by these individuals through their majority shareholding or their role as chairman and/or CEO in those companies.

The Company is controlled by Momentum Metropolitan Strategic Investments (Pty) Limited (formerly MMI Holdings Strategic Investments (Pty) Limited), which owns 100% of the ordinary shares. The ultimate parent Company is Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited) (incorporated in South Africa).

The Company has been provided with a letter of support from Momentum Metropolitan Strategic Investments (Pty) Limited (formerly MMI Holdings Strategic Investments (Pty) Limited).

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Momentum Metropolitan Holdings Limited (formerly MMI Holdings Limited).

Copies of Momentum Metropolitan Holdings Limited consolidated financial statements can be obtained from its Company secretary at 268 West Avenue, Centurion, 0157, South Africa.

16. Related Parties (continued)

Details of transactions with relevant related parties appear below:

Amounts due from related parties:	2019 £	2018 £
Subsidiaries		
Momentum Africa Investments Management Ltd	1,964,468	1,891,033
Anthemis Exponential Ventures LLP	23,138,595	13,861,463
Parent Company		
Momentum Metropolitan Group Ltd	358,040	353,280
	25,461,103	16,105,776

Receivables from Momentum Africa Investments Management Ltd are unsecured. Interest is payable at the rate of 3 months LIBOR + 2.17%. The date of repayment as 10th anniversary after the first drawdown on 16 Nov 2015.

Receivables from Anthemis Exponential Ventures LLP are unsecured and interest free. The date of repayment as 10th anniversary after the first drawdown on 25 May 2016.

Receivables from Momentum Metropolitan Group Ltd are unsecured and interest free, with the date of repayment on 14 May 2046.

Amounts due to related parties:	2019 £	2018 £
Fellow Subsidiaries		
Momentum Global Investment Management Ltd	6,133,903	6,101,927
Momentum Metropolitan Finance Company (Pty) Ltd ¹	27,314,137	23,260,112
Momentum Metropolitan Finance Company (Pty) Ltd ²	589,576	579,387
	34,037,616	29,941,426

Payables to Momentum Global Investment Management Ltd are unsecured, interest free and repayable on demand.

¹ – Payables to Momentum Metropolitan Finance Company (Pty) Ltd are unsecured and interest free, with the date of repayment on 14 May 2046.

² – Payables to Momentum Metropolitan Finance Company (Pty) Ltd are unsecured. Interest is payable at the rate of 3 months LIBOR + percentage determined by Momentum Metropolitan at each drawdown date. The date of repayment is 10th anniversary after the first drawdown on 24 Feb 2016.

Transactions between related parties:

Interest income	2019 £	2018 £
Fellow Subsidiaries		
Momentum Africa Investments Management Ltd	65,030	45,069
Interest expense		
Fellow Subsidiaries		
Momentum Metropolitan Finance Company (Pty) Ltd	19,942	21,409

17. Notes to the statement of cash flows

	2019	2018
	£	£ (restated)
Cash generated from operations		
Loss for the year	(413,923)	(16,004,460)
Interest received separately disclosed	(65,030)	(45,069)
Interest paid separately disclosed	37,409	21,409
Impairments	-	16,311,340
Change in investment in subsidiaries	(4)	275,373
Loan capitalisation	-	7,638,310
Trade and other receivables increase	(9,334,301)	(7,784,906)
Prepayments increase	(5,318)	(105,127)
Other creditors decrease	-	(286,432)
Trade and other payables increase	3,954,824	1,313,353
Current income tax liability (decrease)/increase	(19,042)	71,984
Net cash flows (used in)/generated from operating activities	(5,845,385)	1,405,775

18. Events after the reporting period

With effect from 1st July 2019 the ultimate controlling party changed its name from MMI Holdings Limited (MMI) to Momentum Metropolitan Holdings Limited (MMH). As a result, all subsidiaries containing MMI in their name were renamed to Momentum Metropolitan.

On 22 July 2019 the Company received SFC Regulatory approval for the sale of Financial Partners Ltd. As a result, the investment in subsidiary for both Momentum Operations Limited and Financial Partners Limited has been reclassified as held for sale.

Following the year end, the Company disposed of its investments in two Hong Kong subsidiaries that it held at the balance sheet date, i.e. Financial Partners Limited and Momentum Operations Limited, with the effective dates of the transactions being 31 July 2019 and 1st August 2019, respectively.

The Company has done a high-level assessment of impacts of Covid-19 and the impact, if any, on its investments and based on the information available we do not believe there is an impairment of the investments at this time. Management continues to monitor the situation.