

MMI HOLDINGS (UK) LIMITED

COMPANY REGISTRATION NR: 8766487

MMI HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2018

THURSDAY



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Table of Contents

Directors and officers	3
Strategic report	4
Directors' report	5
Independent auditors' report.....	8
Statement of financial position.....	10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of cash flows.....	13
Notes to the annual financial statements.....	14

DIRECTORS AND OFFICERS

Directors

T Alsworth-Elvey

GA Owen

FJC Truter

F van Heerden

N Dunkley

S Muller

P Mann

J Cilliers (appointed 8 June 2018)

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

STRATEGIC REPORT

The directors present their Strategic report on MMI Holdings (UK) Limited (the "Company") for the year ended 30 June 2018.

Review of the Business

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

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

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 is 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.

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.

Development and performance

During the year the Company disposed of its shareholding in Momentum Financial Technology Limited. No other new activities took place during the year. At the date of these financial statements the Company had total assets of £29.4 million and a net liability position of £1 million.

On behalf of the Board



F van Heerden
Director

19 October 2018

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the Company for the year ended 30 June 2018.

Share Capital

The total number of issued ordinary shares is 22,359,144 at £1 per share (2017: 14,720,834).

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 (2017: 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:

T Alsworth-Elvey

GA Owen

FJC Truter

F van Heerden

N Dunkley

S Muller

P Mann

J Cilliers

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 the service contracts between each executive director and the Company and indemnity insurance cover for all directors of the Company.

The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and the directors via the MMI Group Insurance scheme as well as additional liability insurance from a qualifying third party. Both policies were in force through to the date of approval of these financial statements.

DIRECTORS' REPORT (CONTINUED)

Directors' Emoluments

All the directors who were in office during the year were employed and paid by companies within the 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 MMI Holdings Limited group in respect of services to the Company.

Future Developments

Currently, there are no significant future developments for the Company. The Company will continue its normal activities for the foreseeable future, focused on the existing subsidiaries of the Company.

Activities during the Year

During the 2018 financial year, the Company has disinvested its shareholding in Moneyhub Financial Technology Ltd (MFT). Furthermore, the Company impaired intercompany loans with MFT and Momentum Operations Ltd (MOL).

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 MMI Strategic Investments (Pty) Limited.

Despite this, no material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the directors. The financial statements have therefore been prepared on a going concern basis.

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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the 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.

DIRECTORS' REPORT (CONTINUED)

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 have taken all steps that they ought to have taken as directors to make themselves 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

A handwritten signature in black ink, appearing to be 'F van Heerden', written over a horizontal line.

F van Heerden

Director

19 October 2018

Independent auditors' report to the members of MMI Holdings (UK) Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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 2018; the Statement of Comprehensive Income, the Statement of Cash Flows, 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 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.

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 2018 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 for the financial statements and the audit

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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

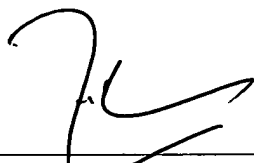
19 October 2018

MMI HOLDINGS (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

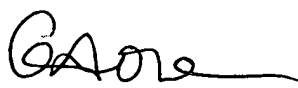
	Notes	2018 £	2017 £
ASSETS			
Non-current assets			
Investment in subsidiaries	3	2,940,576	3,215,984
Current assets			
Trade and other receivables	4	16,126,802	24,653,236
Prepayments	5	105,126	-
Financial assets at fair value through profit or loss	6	1,627,670	1,366,231
Cash and cash equivalents	7	8,559,794	7,391,798
Total Assets		29,359,968	36,627,249
EQUITY AND LIABILITIES			
Equity			
Share capital	8	22,359,144	14,720,834
Accumulated losses		(23,390,193)	(7,385,697)
Total equity		(1,031,049)	7,335,137
Liabilities			
Non-current liabilities			
Other creditors	9	-	286,432
Current liabilities			
Trade and other payables	10	30,319,033	29,005,680
Current income tax liability		71,984	-
Total equity and liabilities		29,359,968	36,627,249

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

The financial statements on pages 10 to 13 and the related notes were approved by the Board of Directors on 9 August 2018 and were signed on its behalf by:



F van Heerden
Director



G Owen
Director

MMI Holdings (UK) Limited
Company Registration Number: 8766487

MMI HOLDINGS (UK) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Notes	2018 £	2017 £
Revenue		-	-
Administrative expenses	11	(331,718)	(164,407)
Other income	12	686,886	131,156
Operating profit / loss		355,168	(33,251)
Finance income	13	45,069	23,573
Finance expense	13	(21,409)	(18,107)
Fair value through profit or loss		-	(5,662)
Other losses	14	(16,311,340)	(7,401,258)
Loss before income tax		(15,932,512)	(7,434,705)
Income tax (expense) / credit	15	(71,984)	41,940
Loss and total comprehensive expense for year		(16,004,496)	(7,392,765)

All results are from continuing operations.

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

MMI HOLDINGS (UK) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Ordinary Shares	Retained Earnings / (Accumulated Losses)	Total Equity
	£	£	£
Balance as at 1 July 2016	14,720,834	7,068	14,727,902
Total comprehensive expense and loss for the year	-	(7,392,765)	(7,392,765)
Balance as at 30 June 2017	14,720,834	(7,385,697)	7,335,137
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)

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

MMI HOLDINGS (UK) LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Notes	2018 £	2017 £
Cash flows generated from operating activities			
Cash generated from operations	17	882,897	1,720,125
Interest received		45,069	-
Interest paid		(21,409)	(18,107)
Net cash generated from operating activities		906,557	1,702,018
Cash flows generated from / (used in) investing activities			
Disposal of investments at fair value through profit or loss		261,439	-
Purchase of investment in funds	6	-	(1,366,231)
Net cash generated from / (used in) investing activities		261,439	(1,366,231)
Net increase in cash and cash equivalents		1,167,996	335,787
Cash and cash equivalents at beginning of year		7,391,798	7,056,011
Cash and cash equivalents at end of year		8,559,794	7,391,798

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

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 audited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS and IFRIC interpretations and also in accordance with IFRSs as issued by the International Accounting Standards Board.

The Company prepares its financial statements on a going concern basis using the historical cost basis, except for certain financial assets and liabilities where it adopts the fair value basis of accounting.

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

There were no new standards or amendments to published standards effective and adopted in the current or prior years that would be expected to have a material impact on the Company in the current year.

New standards and amendments to published standards effective in the next 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 company will apply IFRS 9 retrospectively from 1 July 2018, without restating comparative figures. Opening retained earnings as at 1 July 2018 will be adjusted for any differences in the carrying amounts of financial instruments.

The standard introduces an approach to the classification of financial instruments that is based on contractual cash flow 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 2017. 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.

Consolidated financial statements

The Company is a wholly owned subsidiary of MMI Strategic Investments (Pty) Limited and is included in the consolidated financial statements of its ultimate parent, 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

1. Accounting policies (continued)

"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.

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 MMI Holdings Limited.

Foreign currency transactions are translated into the functional currency using the 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.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 loan from group undertaking, 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.

(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.

	Less than 1 month £	1 to 3 months £	3 to 12 months £	Between 1 and 5 years £
At 30 June 2017				
Contingent liability	-	286,432	-	-
Trade and other payables	-	-	32,280	28,973,400
	Less than 1 month £	1 to 3 months £	3 to 12 months £	Between 1 and 5 years £
At 30 June 2018				
Trade and other payables	-	-	377,607	29,941,426

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 2018, with all other variables held constant, pre-tax loss for the year would (decrease) / increase by (£1,091,650) / £1,334,238 (2017: (£502,756) / £411,346).

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 2018, with all other variables held constant, pre-tax loss for the year would (decrease) / increase by (£933,953) / £1,141,498 (2017: (£186,732) / £152,781).

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 2018, with all other variables held constant, pre-tax loss for the year would (decrease) / increase by (£2,107,412) / £1,749,168 (2017: nil).

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).

During the prior year, the Company invested 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

3. Investment in subsidiaries

	2018 £	2017 £
The investment in subsidiaries comprises		
Investment – MMI Exponential LLP	230	230
Investment – EuroGuard Insurance Company PCC Ltd	2,220,834	2,220,834
Investment – Momentum Operations Ltd	677,396	952,804
Investment – Momentum Africa Investments Mauritius Ltd	42,116	42,116
	2,940,576	3,215,984

Name	Country of Incorporation	Nature of business	Interest
MMI Exponential LLP	UK	Fintech investments	100%
EuroGuard Insurance Company PCC Ltd	Gibraltar	Contractual cell captive insurer	100%
Momentum Operations Ltd	Hong Kong	Investment distribution services	100%
Momentum Africa Investments Mauritius Ltd	Mauritius	Asset management of property investments	100%

4. Trade and other receivables

	Note	2018 £	2017 £
Receivables from related parties	16	16,105,776	24,652,956
Other receivables		21,026	280
		16,126,802	24,653,236

5. Prepayments

	2018 £	2017 £
MFT Templeback - rental	105,126	-
	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.

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.

	2018 £	2017 £
Anthemis Venture Fund 1 LP	1,627,670	1,366,231
	1,627,670	1,366,231

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	8,559,794	7,391,798
	8,559,794	7,391,798

The carrying value approximates fair value. The average interest rate earned on the above funds during the year was nil (2017: nil).

8. Share capital

	2018 £	2017 £
Ordinary shares		
<i>Issued and fully paid:</i>		
22,359,144 (2017: 14,720,834) Ordinary Shares £1 each	22,359,144	14,720,834
Total issued ordinary share capital	22,359,144	14,720,834

9. Other creditors

	2018 £	2017 £
Movement in contingent liability:		
Opening balance	286,432	216,448
Business combination	(286,432)	69,984
Balance at the end of the year	-	286,432

The contingent liability above relates to potential additional payments to be made in accordance with the sale and purchase agreements entered into when acquiring Financial Partners. Due to conditions subsequently not being met this has been reversed in the current year as payments will no longer be due.

The valuation of the future liability was calculated using the projected unit credit method, taking management's best estimates of staff retention and cumulative forecasted earnings after tax. The best estimates have been discounted at the risk free rate.

10. Trade and other payables

	Note	2018 £	2017 £
Amounts due to related parties	16	29,941,426	28,973,400
Other		377,607	32,280
		30,319,033	29,005,680

11. Administrative expenses

Operating losses are determined after taking into account the following:

	2018 £	2017 £
Fees payable to the Company's auditors for the audit of the financial statements		
- Audit related assurance services	10,584	4,865
Fees payable to the Company's auditors for other services		
- Non audit services	22,510	18,700
Professional fees	10,450	140,432
Bank charges	393	410

12. Other income

	2018	2017
	£	£
Net foreign exchange profit	686,886	131,156
	686,886	131,156

13. Finance income and expenses

	2018	2017
	£	£
Interest Income	45,069	23,573
Interest paid on group subordinated loan	(21,409)	(18,107)

14. Other gains / losses

	2018	2017
	£	£
Gains on revaluation of financial assets at fair value through profit or loss	-	4,937
Losses on impairment of investments	-	(7,406,195)
Losses on impairment of loan	(16,311,340)	-
	(16,311,340)	(7,401,258)

During the year, the loans outstanding with MFT and MOL were fully impaired.

15. Income tax (expense) / credit

	2018	2017
	£	£
Normal taxation		
- United Kingdom corporate tax at 20% (2017: 19.75%)	-	-
- Adjustments in respect of prior years	(71,984)	41,940
Total taxation	(71,984)	41,940

Factors affecting the tax charge for the current year:

Loss before income tax	(15,932,512)	(7,434,705)
Tax at 20% (2017: 19.75%) thereon	-	-
<i>Income not subjected to tax:</i>		
Prior year adjustment	(71,984)	41,940
	(71,984)	41,940

The above disclosed tax rates are effective tax rates and have been calculated by pro-rating the appropriate UK Corporate Tax rates applicable during 2018.

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

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

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

Details of transactions with relevant related parties appear below:

	2018 £	2017 £
Amounts due from related parties:		
Subsidiaries		
Momentum Operations Ltd	-	2,695,917
Momentum Financial Technology Ltd	-	11,181,711
MMI Exponential LLP	13,861,463	9,445,251
Momentum Africa Investments Mauritius Ltd	1,891,033	1,154,557
Parent Company		
MMI Group Ltd	353,280	175,520
	16,105,776	24,652,956

Amounts due to related parties:

Subsidiaries		
Momentum Africa Investments Mauritius Ltd	579,387	586,893
Fellow Subsidiaries		
Momentum Global Investment Management Ltd	6,101,927	4,425,040
MMI Finance Company (Pty) Ltd	23,260,112	16,264,423
Parent Company		
MMI Group Ltd	-	7,697,044
	29,941,426	28,973,400

16. Related Parties (continued)

Transactions between related parties:

	2018	2017
	£	£
Interest income		
Fellow Subsidiaries		
Momentum Africa Investments Mauritius Ltd	45,069	23,573
	<u>45,069</u>	<u>23,573</u>
Interest expense		
Parent Company		
MMI Group Ltd	21,409	18,107
	<u>21,409</u>	<u>18,107</u>

17. Notes to the statement of cash flows

	2018	2017
	£	£
Cash generated from operations		
Profit for the period	(16,004,496)	(7,392,765)
Interest received separately disclosed	(45,069)	-
Interest paid separately disclosed	21,409	18,107
Non Cash flow items	24,225,093	7,406,195
Changes in working capital	(7,314,040)	1,688,588
Net cash flows from operating activities	<u>882,897</u>	<u>1,720,125</u>