

COMPANY REGISTRATION NR: 8766487

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
30 JUNE 2020



MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

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MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

DIRECTORS AND OFFICERS

Directors

F van Heerden

J Barnard

G Kruger

D Lashbrook

D van Staden

Registered Office

The Rex Building

62 Queen Street

London

EC4R 1EB

Independent Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

STRATEGIC REPORT

The directors present their Strategic report on Momentum Metropolitan Holdings (UK) Limited (the "Company") for the year ended 30 June 2020.

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 is a wholly owned subsidiary undertaking of Momentum Metropolitan Strategic Investments (Pty) Limited, a South African incorporated entity whose parent is Momentum Metropolitan Holdings Limited, which in turn is listed on the Johannesburg Stock Exchange in South Africa.

During the year the Company disposed of its two subsidiaries domiciled in Hong Kong (after receiving regulatory approvals from the relevant Hong Kong authorities). Various drawdowns were settled by the Company on its commitments to the Anthemis Venture Fund 1 LP and the Anthemis Exponential Ventures LLP.

The operating profit for the year was £2,818,098 (2019 restated: operating loss of £655,824). The total comprehensive profit for the year was £1,128,034 (2019 restated: loss of £1,149,077). The total assets as at the end of the year were £37,935,997 (2019 restated: £32,233,770). The net equity as at the end of the year was £8,005,340 (2019 restated: £6,877,306).

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, creditors and debtors which are not based in functional currency, (3) fall in the market value of investments and (4) reputational and other issues in one or more of the companies in which it has invested, that could result 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 in its subsidiaries. Unrealised fair value gains / losses on its investments are assessed against the investment objectives of each of the investments.

During the year the impact of the global coronavirus pandemic has emerged as a new risk to the Company and its subsidiary companies and investments. The pandemic globally impacted market dynamics and consumer behaviour that in turn could impact the value of the Company's investments and has also impacted foreign exchange rates. These factors have been considered in the preparation of the financial position of the Company to the extent possible. The future potential impact of the pandemic is ultimately unknown and can't be forecast with any level of certainty. A letter of support from its parent, Momentum Metropolitan Strategic Investments (Pty) Limited, does provide comfort to the Company should it be needed to fulfil its obligations.

Key Performance Indicators (KPIs)

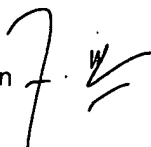
The key measure of success for the Company relates to the underlying performance of its subsidiary companies / investments. Hence, given the nature of the Company as an intermediate holding company of the MMH Group, the directors are of the opinion that a more detailed analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

On behalf of the Board

F van Heerden

Director

30 June 2021



DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the Company for the year ended 30 June 2020.

Share Capital

The total number of issued ordinary shares is 22,359,144 (2019: 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 is proposed for the year ending 30 June 2020, and none was paid during the current year (2019: £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 (resigned 26 March 2021)
- P Mann (resigned 26 March 2021)
- J Marais (resigned 26 March 2021)
- J Barnard
- G Kruger (appointed 26 March 2021)
- D Lashbrook (appointed 26 March 2021)
- D van Staden (appointed 26 March 2021)

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 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 group, in respect of services to the Company.

Future Developments

The Company will continue its normal activities as an intermediate investment holding company for the foreseeable future, focused on the subsidiaries and investments of the Company.

Going Concern

The Company is in a net asset position at the end of the current financial year as at 30 June 2020. Notwithstanding this, the Company has received a letter of support from its parent Momentum Metropolitan Strategic Investments (Pty) Limited, who intend to support the Company for at least one year after these financial statements are signed, should this be required.

Given this, the directors believe that preparing the financial statements on a going concern basis is appropriate. Following the finalization of the annual financial results and an assessment of the principal risks of the Company, including the uncertainties surrounding the Covid-19 pandemic, the directors confirm 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

Subsequent to the balance sheet date, the Company has converted the loan receivable from Moneyhub Financial Technology Limited into equity.

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, Ernst & Young 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 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' with a stylized flourish at the end.

F van Heerden

Director

30 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of Momentum Metropolitan Holdings (UK) Limited for the year ended 30 June 2020 which comprises of the statement of financial position, the statement of comprehensive income, the statement of changes in equity, statement of cash flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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

Other information

The other information comprises the information included in the annual report set on pages 4 to 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

David Reeves

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

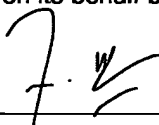
30 June 2021

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

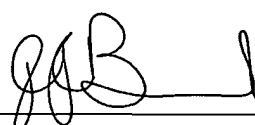
	Note	2020 £	2019 (Restated) £	1 July 2018 (Restated) £
ASSETS				
Non-current assets				
Investment in subsidiaries	3,19	30,376,693	24,753,722	16,412,777
Trade and other receivables	4,19	2,670,423	2,322,508	2,244,313
Current assets				
Trade and other receivables	4	-	-	21,026
Prepayments	5	-	110,444	105,126
Financial assets at fair value through profit or loss	6	4,207,535	3,081,062	1,627,670
Cash and cash equivalents	7	681,346	1,288,638	8,559,794
Non-current assets held for sale	8	-	677,396	-
Total assets		37,935,997	32,233,770	28,970,706
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	9	22,359,144	22,359,144	22,359,144
Retained earnings	19	(14,353,804)	(15,481,838)	(14,332,761)
Total equity		8,005,340	6,877,306	8,026,383
Liabilities				
Non-current liabilities				
Trade and other payables	10,19	22,604,286	18,933,375	14,392,805
Deferred tax liability	11	181,834	-	-
Current liabilities				
Trade and other payables	10	6,654,375	6,370,147	6,479,534
Current income tax liability		490,162	52,942	71,984
Total equity and liabilities		37,935,997	32,233,770	28,970,706

The notes from page 14 to 28 are an integral part of these financial statements.

The financial statements on pages 10 to 28 were approved by the Board of Directors on 30 June 2021 and were signed on its behalf by:



F van Heerden
Director



J Barnard
Director

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

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	2020 £	2019 (Restated) £
Revenue		-	-
Administrative expenses	12	(200,486)	(474,090)
Other income / (expense)	13,19	3,018,584	(181,734)
Operating profit / (loss)		2,818,098	(655,824)
Finance income	14	144,411	65,030
Finance expense	14	(33,082)	(37,409)
Loss on impairment of loan	2	(364,610)	-
Other losses - net	15,19	(764,787)	(539,916)
Profit / (Loss) before income tax		1,800,030	(1,168,119)
Income tax (expense) / credit	16	(671,996)	19,042
Profit / (Loss) and total comprehensive income / (expense) for the year		1,128,034	(1,149,077)

All results are from continuing operations.

The notes from page 14 to 28 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Ordinary Shares £	Accumulated Losses (Restated) £	Total Equity (Restated) £
Balance as at 30 June 2018	22,359,144	(23,390,193)	(1,031,049)
Restatement of opening reserves*	-	9,057,432	9,057,432
Balance as at 30 June 2018 (restated)	22,359,144	(14,332,761)	8,026,383
Balance as at 1 July 2018 (restated)	22,359,144	(14,332,761)	8,026,383
Total comprehensive expense and loss for the year	-	(1,149,077)	(1,149,077)
Balance as at 30 June 2019 (restated)	22,359,144	(15,481,838)	6,877,306
Balance as at 1 July 2019 (restated)	22,359,144	(15,481,838)	6,877,306
Total comprehensive profit for the year	-	1,128,034	1,128,034
Balance as at 30 June 2020	22,359,144	(14,353,804)	8,005,340

* The restatements of the opening reserves were as a result of the reclassification of one of the loans as an investment in subsidiary and resultant change in classification to carried at cost. Refer to note 19 for additional disclosure on the restatement.

The notes from page 14 to 28 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Notes	2020 £	2019 £
Cash flows used in operating activities			
Cash used in operations	18	(795,692)	(5,845,385)
Interest received		144,411	65,030
Interest paid		(33,082)	(37,409)
Net cash used in operating activities		(684,363)	(5,817,764)
Cash flows generated from / (used in) investing activities			
Purchase of investment at fair value through profit and loss		(38,161)	(1,453,392)
Proceeds on sale of investment in subsidiary		115,232	-
Net cash generated from / (used in) investment activities		77,071	(1,453,392)
Net decrease in cash and cash equivalents		(607,292)	(7,271,156)
Cash and cash equivalents at the beginning of the year		1,288,638	8,559,794
Cash and cash equivalents at the end of the year		681,346	1,288,638

The notes from page 14 to 28 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

General information

Momentum Metropolitan Holdings (UK) Limited (the "Company") is a private company limited by shares, 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 (IFRIC) 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 IFRS, 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

Published standards, amendments and interpretations effective for the financial period ended 30 June 2020

Effective annual periods beginning on or after	Description
1 January 2019	IFRS 9 (Amendment) - Financial instruments: prepayment features with negative compensation.
1 January 2019	IFRS 16 - Leases
1 January 2019	IAS 28 (Amendment) - Investments in associates and joint ventures: long-term interests in associates and joint ventures
1 January 2019	IAS 19 (Amendment) - Employee benefits: accounting for plan amendment, curtailment or settlement
1 January 2019	IFRIC 23 - Uncertainty over income tax treatments

Annual improvements 2015-17 cycle

1 January 2019	IFRS 3 - Business combinations: Previously held interests in a joint operation
1 January 2019	IFRS 11 - Joint arrangements: Previously held interests in a joint operation
1 January 2019	IAS 12 - Income taxes: Income tax consequences of payments on financial instruments classified as equity
1 January 2019	IAS 23 - Borrowing costs: Borrowing costs eligible for capitalisation

Amendment to IFRS 9 *Financial instruments* is effective from periods beginning on or after 1 January 2019. The Company has implemented IFRS 9 on 1 July 2019 without restating comparative figures.

This amendment was issued to enable companies to measure at amortised cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit and loss (FVPL).

1. Accounting policies (continued)

New standards and amendments to published standards effective in the year (continued)

Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of interest and principal. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

The Company has assessed the impact of the amendment and based on ongoing assessments the estimated impact is deemed immaterial.

IFRS 16 *Leases* specifies how to recognise, measure, present and disclose leases. The standard replaced IAS 17 *Leases* for reporting periods beginning on or after 1 January 2019. The effective date for the Company was thus 1 July 2019. This is not applicable for the Company.

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

Standards, amendments to and interpretations of published standards that are not yet effective

Effective annual periods beginning on or after	Title
1 January 2020	IFRS 3 (Amendments) - Definition of a business
1 January 2020	IFRS 9, IAS 39 and IFRS 7 (Amendments) - Interest rate benchmark reform
1 January 2020	IAS 1 and IAS 8 (Amendments) - Definition of material
1 January 2020	IASB revision of the Conceptual Framework for Financial Reporting
1 June 2020	IFRS 16 (Amendments) - Covid-19-related rent concessions
1 January 2022	IAS 1 (Amendments) - Classification of liabilities as current or non-current
1 January 2022	IFRS 3 (Amendments) - Reference to the Conceptual Framework
1 January 2022	IAS 16 (Amendments) - Property, plant and equipment: Proceeds before intended use
1 January 2022	IAS 37 (Amendments) - Onerous Contracts – Costs of fulfilling a contract
1 January 2023	IFRS 17 - Insurance contracts
<i>Annual improvements 2018-2020 cycle</i>	
1 January 2022	IFRS 1 - First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter
1 January 2022	IFRS 9 - Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities
1 January 2022	IAS 41 - Agriculture: Taxation in fair value measurements

Management is currently assessing the impact of these improvements, but they are not expected to have a material impact on the company's financial statements.

1. Accounting policies (continued)

Consolidated financial statements

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

Financial assets

The Company classifies at initial recognition its financial assets at fair value and subsequently measures them at amortised cost or fair value through profit and loss.

(a) Financial assets at amortised cost

For a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. If this test is not met, the assets are classified and measured at fair value through profit or loss, irrespective of the Company's business model. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Financial assets at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost comprise of trade receivables and related party loans. It does not hold any third-party loans and all the receivables are included in non-current assets in the statement of financial position.

(b) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Subsequently, these are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within 'other losses – net' in the period in which they arise.

1. Accounting policies (continued)

Financial assets (continued)

Where the Company has no controlling interest in the fund that it has invested in and therefore not a subsidiary, this will be treated as financial assets at fair value through profit or loss.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the assets.

Financial assets are derecognised when:

- (i) the right to receive cash flows from the investments has expired or been transferred, or
- (ii) the Company has transferred substantially all risks and rewards of ownership.

IFRS 9 requires an entity to record an ECL provision for all financial assets measured at amortised cost or fair value through other comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include all cash flows that are integral to the contractual terms. Management has considered this requirement and noted that the ECL provision is immaterial and as such has not recorded this provision.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Management considered this ECL provision to be immaterial and has therefore not posted this.

The Company's financial assets at fair value through profit or loss comprises the investment in Anthemis Venture Fund 1 LP.

Trade and other payables and loans

Trade and other payables and loans are recognised initially at fair value and subsequently measured at amortised cost.

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.

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

1. Accounting policies (continued)

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.

Administrative expenses

Expenses are accounted for on an accrual basis.

Significant judgements

The Company has a \$5 million commitment in Anthemis Ventures Fund I LP and these assets are classed as Level 3 assets, being assets where the observable prices are not available. As at 30 June 2020, the Company had invested in the Level 3 assets with a market value of £4.2m which have no observable market data. The valuations are based on assumptions of the fund managers as private equity investments are generally based on earnings multiples. For these instruments, a sensitivity analysis is presented in note 2 of the accounts.

2. Financial Risk Management

2.1 Financial Risk Factors

The Company's activities expose it to several 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. The identification, measurement, assessment, mitigation and monitoring of risk is coordinated by the Operations Department and Compliance & Risk Function.

(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. The provision for impairment against trade receivables amounted to £364,610 (2019: £nil). The impairment was due to the revaluation of assets in Momentum Africa Investments Management Ltd.

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.

	Less than 1 year £	Between 1 and 5 years £
At 30 June 2019		
Trade and other payables	6,370,144	27,903,713
	Less than 1 year £	Between 1 and 5 years £
At 30 June 2020		
Trade and other payables	6,654,375	22,604,286

2.2 Sensitivity Analysis

The sensitivity analysis shows the exposure of the Company's post tax profits and losses 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 2020, with all other variables held constant, pre-tax profit for the year would increase / (decrease) by £256,922 / (£210,209) (2019 restated: £50,732 / (£41,508)).

There is also exposure to the Euro through loans with related parties (included in Note 17). If the functional currency had weakened / strengthened by 10% against the Euro during the year to 30 June 2020, with all other variables held constant, pre-tax profit for the year would (decrease) / increase by (£2,588,907) / £3,164,219 (2019 restated: (£2,136,083) / £2,610,768).

There is also exposure to the South African Rand through loans with related parties (included in Note 17). If the functional currency had weakened / strengthened by 10% against the Rand during the year to 30 June 2020, with all other variables held constant, pre-tax profit for the year would (decrease) / increase by (£2,016,028) / £1,649,477 (2019 restated: (£2,555,155) / £2,090,582).

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 in order 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 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

At 30 June 2020	Level 1	Level 2	Level 3	Total
Assets	£	£	£	£
Financial assets at fair value through profit or loss				
- Trading securities	-	-	4,207,535	4,207,535
Total assets	-	-	4,207,535	4,207,535

The fair valuation of the underlying investments in Anthemis Ventures Fund I LP are determined under the guidance of the International Private Equity and Venture Capital Valuations Guidelines for all the Level 3 investments. The Company produces a sensitivity analysis on its percentage ownership of these investments. The results are captured in Note 2.2 paragraph 2.

As part of the final sales agreement of Moneyhub Financial Technology Limited ("Moneyhub"), the Company retained an option for shares in Moneyhub, exercisable at a future date. Based on the performance of Moneyhub and its accounts, the Company has determined that the fair value of this option is nil as at June 30, 2020.

3. Investment in subsidiaries

	2020	2019 (Restated)	1 July 2018 (Restated)
	£	£	£
The investment in subsidiaries comprises			
Anthemis Exponential Ventures LLP	28,113,741	22,490,770	13,472,431
EuroGuard Insurance Company PCC Ltd	2,220,834	2,220,834	2,220,832
Momentum Operations Ltd	-	-	594,578
Financial Partners Ltd	-	-	82,818
Momentum Africa Investments Management Ltd	42,118	42,118	42,118
	30,376,693	24,753,722	16,412,777

Refer to note 19 for additional disclosure on the prior year restatement.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

3. Investment in subsidiaries (continued)

Name and address	Country of Incorporation	Nature of business	Interest
Anthemis Exponential Ventures LLP 3 rd Floor, 25 Soho Square, London, W1D 3QR	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 Africa Investments Management Ltd c/o Intercontinental Fund Services Limited Level 5, Alexander House, 35 Cybercity, Ebene 72201, Republic of Mauritius	Mauritius	Asset management of property investments	100%

4. Trade and other receivables

	Note	2020 £	2019 (Restated) £	1 July 2018 (Restated) £
Non-current assets				
Receivables from related parties	17	2,153,142	2,322,508	2,244,313
Trade receivables		517,281	-	-
Current assets				
VAT recoverable		-	-	21,026
		2,670,423	2,322,508	2,265,339

A loan exists between the Company and Moneyhub Financial Technology Limited (Moneyhub). The principal amount plus interest is around £1.3 million. Based on the performance of Moneyhub and its accounts, the Company has determined that the fair value of this loan is nil as at June 30, 2020.

Refer to note 19 for additional disclosure on the prior year restatement.

5. Prepayments

	2020 £	2019 £
Moneyhub Financial Technology Limited – Office rental	-	110,444
	-	110,444

As part of the final sales agreement of Moneyhub, 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. This break clause was executed in the current year.

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.

	2020 £	2019 £
Anthemis Venture Fund 1 LP	4,207,535	3,081,062
	4,207,535	3,081,062

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	681,346	1,288,638
	681,346	1,288,638

The carrying value approximates fair value. The average interest earned on the above funds during the year was £nil (2019: £nil).

8. Non-current assets held for sale

	2020 £	2019 £
Investment - Momentum Operations Ltd	-	594,578
Investment - Financial Partners Ltd	-	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 was 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 in the current year, with Financial Partners Limited being sold on 31 July 2019 and Momentum Operations Limited being sold on 1 August 2019.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

9. Share capital

Ordinary shares

	2020	2019
	£	£
Issued and fully paid:		
22,359,144 (2019: 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	2020	2019 (Restated)
		£	£
Non-current liabilities			
Amounts due to related parties	17	22,604,286	18,933,376
Current liabilities			
Amounts due to related parties	17	6,612,354	6,133,906
Accruals		42,021	236,241
		29,258,661	25,303,523

Refer to note 19 for additional disclosure on the prior year restatement.

11. Deferred tax liability

The substantively enacted UK Corporation tax rate applicable during the year was 19%. The closing deferred tax liabilities have been calculated at 19%.

The main UK corporation tax rate will increase to 25% from 1 April 2023. This change was substantively enacted in May 2021.

As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 25% rate. The impact of the post balance sheet date change in tax rate is not expected to be material.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2020	2019
	£	£
Deferred tax assets		
Deferred tax liabilities:		
- Deferred tax liability to be recovered after more than 12 months	181,834	-
Deferred tax liability (net)	181,834	-

11. Deferred tax liability (continued)

The gross movement on the deferred income tax account is as follows:

	2020	2019
	£	£
At 1 July	-	-
Income statement charge	181,834	-
At 30 June	181,834	-

12. Administrative expenses

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

	2020	2019
	£	£
Group recharges - office rent	150,960	420,950
Staff related costs	35,000	-
Fees payable to the Company's auditor for the audit of the financial statements		
- Audit related assurance services	10,902	12,000
Fees payable to the Company's auditor for other services		
- Non audit services	10,700	17,190
Professional fees	(8,433)	17,380
Other expenses	1,357	6,570
	200,486	474,090

The directors of the Company are paid by Momentum Global Investment Management Limited, an entity under the common control of Momentum Metropolitan 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 (2019: £nil), and no allocations of their payments is done across the various entities within the group.

13. Other income

	2020	2019 (Restated)
	£	£
Net foreign exchange gains	3,018,584	(181,734)
	3,018,584	(181,734)

Refer to note 19 for additional disclosure on the prior year restatement.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

14. Net finance income

	Note	2020 £	2019 £
Interest income		12,865	65,030
Interest received on group loans	17	131,546	-
Interest expense		(1,098)	(17,467)
Interest paid on group subordinated loan	17	(31,984)	(19,942)
		111,329	27,621

15. Other losses - net

	2020 £	2019 (Restated) £
Gains/ (losses) on revaluation of financial assets at fair value through profit or loss	1,006,958	(63,557)
Losses on revaluation of loans	(1,786,728)	(476,359)
Gains on revaluation of investments	14,983	-
	(764,787)	(539,916)

Refer to note 19 for additional disclosure on the prior year restatement.

16. Income tax

	2020 £	2019 £
Normal taxation		
- United Kingdom corporate tax at 19% (2019: 19%)	(490,162)	-
- Adjustments in respect of prior years	-	19,042
- Deferred Tax	(181,834)	-
Total taxation	(671,996)	19,042

Factors affecting the tax charge for the current year:

Profit / (Loss) on ordinary activities	1,800,030	(1,168,119)
Tax at 19%	342,006	(221,936)
Expenses not deductible for tax purposes	329,990	66,157
Prior year adjustment	-	(19,042)
Group relief surrendered	-	155,779
Total tax for the year	671,996	(19,042)

The entity has a corporate tax obligation in the financial year ending on 30 June 2020 due to earning a profit.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

17. 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, which owns 100% of the ordinary shares. The ultimate parent Company is Momentum Metropolitan Holdings Limited (incorporated in South Africa).

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

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Momentum Metropolitan 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.

Details of transactions with relevant related parties appear below:

Amounts due from related parties:	2020	2019	1 July 2018
	£	(Restated)	(Restated)
		£	£
Subsidiaries			
Momentum Africa Investments Management Ltd	1,789,453	1,964,468	1,891,033
Parent Company			
Momentum Metropolitan Group Ltd	363,689	358,040	353,280
	2,153,142	2,322,508	2,244,313

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

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

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

17. Related parties (continued)

Amounts due to related parties:	2020 £	2019 (Restated) £
Fellow Subsidiaries		
Momentum Global Investment Management Ltd	6,612,354	6,133,906
Momentum Metropolitan Finance Company (Pty) Ltd ¹	21,991,809	18,343,800
Momentum Metropolitan Finance Company (Pty) Ltd ²	612,477	589,576
	29,216,640	25,067,282

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 the 10th anniversary after the first drawdown on 24 Feb 2016.

Transactions between related parties:

Interest income	2020 £	2019 £
Fellow Subsidiaries		
Momentum Africa Investments Management Ltd	131,546	65,030
	131,546	65,030
Interest expense		
Fellow Subsidiaries		
Momentum Metropolitan Finance Company (Pty) Ltd	31,984	19,942
	31,984	19,942

18. Notes to the statement of cash flows

	2020 £	2019 (Restated) £
Profit / (loss) for the year	1,128,034	(1,149,077)
Interest received separately disclosed	(144,411)	(65,030)
Interest paid separately disclosed	33,082	37,409
Impairments	364,610	-
Change in investment in subsidiaries	(5,060,807)	(9,018,340)
Change in financial assets at fair value through profit or loss	(1,088,312)	-
Trade and other receivables increase	(712,525)	(57,169)
Prepayments decrease/(increase)	110,444	(5,318)
Trade and other payables (decrease)/increase	3,955,139	4,431,183
Current income tax liability increase/(decrease)	437,220	(19,042)
Deferred tax liability	181,834	-
Net cash flows used in operating activities	(795,692)	(5,845,385)

Refer to note 19 for additional disclosure on the prior year restatement.

19. Restatement of prior year figures

The Company has a loan commitment with Anthemis Exponential Ventures LLP ("Anthemis") under the LLP agreement. Previously held as a loan measured at fair value, the commitment has been classified as equity in the current year, carried at cost. The resultant adjustment has been recognised in the current year and retrospectively, in line with IAS 8.

The Company also has related party loans with MMI Finance Company (Pty) Ltd ("MMFC") which fall under the scope of IFRS 9 and as such have been reclassified as financial assets measured at amortised cost. This resulted in a restatement of the trade payables and retained equity balances.

The reclassification impacts of the above were as follows:

	Before restatement £	Anthemis restatement £	MMFC loan restatement £	After restatement £
Statement of financial position as at 30 June 2019:				
Retained Earnings	(23,804,116)	(648,057)	8,970,335	(15,481,838)
Non-current trade & other payables	27,903,713	-	(8,970,338)	18,933,375
Investment in subsidiaries	2,263,184	22,490,538	-	24,753,722
Trade and other receivables	25,461,103	(23,138,595)	-	2,322,508
Statement of financial position as at 30 June 2018:				
Retained Earnings	(23,390,193)	(389,262)	9,446,694	(14,332,761)
Non-current trade & other payables	23,839,499	-	(9,446,694)	14,392,805
Investment in subsidiaries	2,940,576	13,472,201	-	16,412,777
Trade and other receivables	16,105,776	(13,861,463)	-	2,244,313
Statement of comprehensive income for the period ended 30 June 2019:				
Other gains / (losses) - net	(63,557)	-	(476,359)	(539,916)
Other income/ (expense)	77,061	(258,795)	-	(181,734)
Notes to the statement of Cash flows for 30 June 2019:				
Profit/loss for the year	(413,923)	(258,795)	(476,359)	(1,149,077)
Changes in investment in Sub	(4)	(9,018,336)	-	(9,018,340)
Trade & other receivables	(9,334,301)	9,277,132	-	(57,169)
Trade & other payables	3,954,824	-	476,359	4,431,183

20. Events after the reporting period

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.

At the end of December 2020, the Company converted the loan receivable of £1.3m from Moneyhub with a written down value of £nil into equity shareholding in HUB Investment Holdings Ltd.