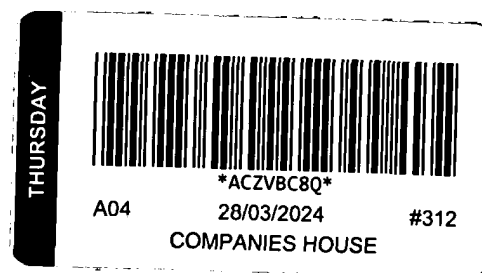


COMPANY REGISTRATION NR: 8766487

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2023



MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

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MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED

DIRECTORS AND OFFICERS

Directors

F van Heerden

J Barnard

D Lashbrook

G Kruger

D von Staden

Registered Office

The Rex Building

62 Queen Street

London

EC4R 1EB

Independent Auditor

Ernst & Young LLP

25 Churchill Place

London

E14 5EY

STRATEGIC REPORT

The directors present their Strategic report on Momentum Metropolitan Holdings (UK) Limited (the "Company") for the year ended 30 June 2023.

Review of the Business

The Company acts as an intermediate holding company for investments in international subsidiary companies of the Momentum Metropolitan Holdings Ltd 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 various drawdowns were settled by the Company on its commitments to the Anthemis Venture Fund I LP and the Anthemis Exponential Ventures LLP. Furthermore, the Company's investment and share option in Hub Investment Holdings Ltd ("Moneyhub") was revalued following the completion of a fund raising round in October 2022.

The operating profit for the year was £4,660,299 (2022: £296,680). The total comprehensive profit for the year was £4,688,132 (2022: £4,649,461). The total assets as at the end of the year were £62,036,163 (2022: £60,034,598). The net equity as at the end of the year was £26,614,209 (2022: £21,926,077).

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 principal 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.

A letter of support from its ultimate parent, Momentum Metropolitan Holdings 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.

Statement of Section 172(1) of the Companies Act 2006

The Directors have acted in a way they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the Company's desirability of maintaining a reputation for high standards of business conduct; and
- to act fairly between members of the Company.

The Directors also considered the views and interests of a wide set of stakeholders, including the Government, and non-government organisations.

Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

STRATEGIC REPORT (CONTINUED)

How does the Board engage with stakeholders?

The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is at Momentum Holdings group level, particularly where matters are of group-wide significance or have the potential to impact the reputation of the Momentum group.

The Board considers and discusses information from across the organisation to help it understand the impact of its operations, and the interests and views of our key stakeholders. The following paragraphs summarise ways in which the Directors fulfil their duties:

Governance and Risk Management

Sound governance arrangements are essential to the proper operation of the group in its activities. During the year the Directors continued to monitor the Company's governance arrangements and policies, and ensured the group's practices continued to be appropriate for the business it conducts and the manner and locations in which it is conducted.

Culture, Values and Standards

The group is committed to maintaining the highest standards across the range of its activities, and business principles form a key part of the group's commitment to corporate responsibility. Every partner and employee in the group is expected to conduct themselves and their activities in accordance with both the letter and spirit of these principles. The Directors continue to monitor adherence to the group code of conduct and business principles.

Community and Environment

The group maintains a sustainability policy including a commitment to compliance with local, national and international legal requirements relating to environmental, health and safety, labour working conditions and other ESG-related matters. All group entities are encouraged to consider and align with international standards, sector sustainability initiatives and other international guidelines, as appropriate.

On behalf of the Board



F van Heerden

Director

28 March 2024

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the Company for the year ended 30 June 2023.

Share Capital

The total number of issued ordinary shares is 22,359,144 (2022: 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 2023, and none was paid during the current year (2022: £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
- J Barnard
- G Kruger
- D Lashbrook
- D von Staden

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 2023. Notwithstanding this, the Company has received a letter of support from its parent Momentum Metropolitan Holdings 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 macroeconomic environment, 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.

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 UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 UK adopted international accounting standards 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



F van Heerden

Director

28 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2023 which comprise the Statement of financial position, the Statement of comprehensive income, the Statement of changes in equity, the Statement of cash flows and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with UK adopted international accounting standards; 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in

the financial statements themselves. 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 7, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional

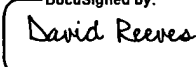
misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the requirements of the reporting framework, UK adopted international accounting standards, the Companies Act 2006, and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management and by obtaining representation from those charged with governance. We corroborated our understanding by reviewing board meeting minutes of the Directors and relevant policy and procedure manuals.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering risk of management override and by designating the valuation of unlisted investments as a fraud risk. We performed journal entry testing by specific risk criteria, with focus on journals indicating large or unusual transactions based on our understanding of the business. We obtained management's valuation of unlisted investments. We casted this for clerical accuracy, agreeing figures used to supporting documentation, assessed management's valuation model for consistency with industry valuation guidelines and reviewed the reasonableness of assumptions used.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved corroborating our enquiries through our review of board meeting minutes and review of a sample of legal and professional expenses.

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.

DocuSigned by:

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David Reeves (Senior statutory auditor)

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

London


28 March 2024

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023


	Note	2023 £	2022 £
ASSETS			
Non-current assets			
Investment in subsidiaries	3	35,731,727	34,478,018
Trade and other receivables	4	3,366,904	3,453,084
Financial assets at fair value through profit or loss	5	21,169,784	18,608,695
Current assets			
Cash and cash equivalents	6	1,767,748	3,494,801
Total Assets		62,036,163	60,034,598
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital	7	22,359,144	22,359,144
Retained earnings		3,064,500	(433,067)
Total equity		25,423,644	21,926,077
Liabilities			
Non-current liabilities			
Trade and other payables	8	27,499,780	29,517,278
Deferred Tax Liability	9	801,170	1,537,859
Current liabilities			
Trade and other payables	8	6,741,415	6,719,418
Current income tax liability		1,570,153	333,966
Total equity and liabilities		62,036,163	60,034,598

The notes from page 16 are an integral part of these financial statements.

The financial statements on pages 12 to 29 were approved by the Board of Directors on 28 March 2024 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 2023

	Note	2023	2022
		£	£
Revenue		-	-
Administrative expenses	10	(46,662)	(53,265)
Other income	11	4,706,961	349,945
Operating profit		4,660,299	296,680
Finance income	12	216,681	71,907
Finance expense	12	(38,412)	(16,060)
Gain / (Loss) on Impairment on loan		(38,393)	(8,087)
Other gains - net	13	(395,827)	5,572,437
Profit before income tax		4,404,348	5,916,877
Income tax expense	14	(906,781)	(1,267,416)
Profit and total comprehensive income for the year		3,497,567	4,649,461

All results are from continuing operations.

The notes from page 16 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

	Ordinary Shares £	Retained Earnings / (Accumulated Losses) £	Total Equity £
Balance as at 1 July 2021	22,359,144	(5,082,528)	17,276,616
Total comprehensive expense and loss for the year	-	4,649,461	4,649,461
Balance as at 30 June 2022	22,359,144	(433,067)	21,926,077
Balance as at 1 July 2022	22,359,144	(433,067)	21,926,077
Total comprehensive profit for the year	-	3,497,567	3,497,567
Balance as at 30 June 2023	22,359,144	3,064,500	25,423,644

The notes from page 16 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

	Notes	2023 £	2022 £
Cash flows (used in) / generated from operating activities			
Cash (used in) / generated from operations	16	(1,370,511)	584,621
Interest received		216,681	71,907
Interest paid		(38,412)	(16,060)
Income tax (paid) / received		(407,282)	136,975
Net cash (used in) / generated from operating activities		(1,599,524)	777,443
Cash flows used in investing activities			
Purchase of investment at fair value through profit and loss		(108,641)	(88,009)
Net cash used in investment activities		(108,641)	(88,009)
Net (decrease) / increase in cash and cash equivalents		(1,708,165)	689,434
Cash and cash equivalents at beginning of year		3,494,801	1,394,696
Effect on Foreign Exchange Rate Change		(18,888)	1,410,671
Cash and cash equivalents at end of year		1,767,748	3,494,801

The notes from page 16 are an integral part of these financial statements.

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

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 UK adopted international accounting standards and the requirements of the Companies Act 2006. The financial statements comply with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

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 UK adopted international accounting standard, 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 current year

Effective annual periods beginning on or after	Title
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
<i>Annual improvements 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 has assessed the above new standards and amendments and incorporated them where deemed appropriate and relevant to the Company

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

1. Accounting policies (continued)

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

**Effective annual periods
beginning on or after**

1 January 2023	IFRS 17 - Insurance contracts
1 January 2023	IAS 8 (Amendments) - Definition of accounting estimates
1 January 2023	IAS 1 and IFRS Practice Statement 2 (Amendments) - Disclosure of Accounting Policies
1 January 2023	IAS 12 (Amendments) - Deferred tax related to assets and liabilities arising from a single transaction
1 January 2024	IAS 1 (Amendments) - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
1 January 2024	IFRS 16 (Amendments) - Lease liability in a sale and leaseback
1 January 2024	IAS 7 and IFRS 7 (Amendments) - Disclosures: Supplier Finance Arrangements

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.

2. 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 IFRS 10.4(a) "Consolidated financial statements" paragraph 10.4(a). 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 Statement of Financial Position 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.

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.

(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 gains / losses – net' in the period in which they arise.

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

1. Accounting policies (continued)

Financial assets (continued)

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 Expected Credit Loss (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.

The Company's financial assets at fair value through profit or loss comprises the investment in Anthemis Venture Fund I LP and an investment in Moneyhub which comprises shares and an option. It does not hold any third-party loans and all the receivables are included in non-current assets in the statement of financial position.

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 Statement of Financial Position date.

Deferred taxation

Deferred taxation is provided on the balance sheet liability method. Deferred tax assets / liabilities are recognised for all temporary difference by applying corporate tax rates to the temporary differences existing at each Statement of Financial Position date, between the tax values of assets and liabilities and their current carrying amounts, where such temporary differences are expected to result in taxable or deductible amounts on determining taxable income for future periods when the carrying amount of those assets or liabilities are recovered or settled.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date.

Deferred tax assets are recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted.

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 rates received by Momentum Metropolitan Holdings Limited from a third party source.

1. Accounting policies (continued)

Foreign currency translation (continued)

Foreign currency transactions are translated into the functional currency using the month end rates received by Momentum Metropolitan Holdings Limited from a third party source.

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.

Administrative expenses

Expenses are accounted for on an accrual basis.

Significant judgements

The Company has a \$5 million commitment in Anthemis Venture Fund I LP, a £2 million investment in Moneyhub and an agreement to exercise an option with Moneyhub with a value of £13.4 million (2022: £8.4 million). These assets are classed as Level 3 assets, being assets where the observable prices are not available. As at 30 June 2023, the Company had invested in the Level 3 assets with a market value of £20.3m (2022: £18.6m) 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 nil (2022: £nil).

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 £	More than 5 years £
At 30 June 2022			
Trade and other payables	6,719,418	622,394	28,894,884
	Less than 1 year £	Between 1 and 5 years £	More than years £
At 30 June 2023			
Trade and other payables	6,741,415	600,946	26,898,834

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 2023, with all other variables held constant, pre-tax profit for the year would increase / (decrease) by £646,415 / (£528,885) (2022: £1,239,055 / (£1,013,772)).

There is also exposure to the Euro through loans with related parties (included in Note 15). If the functional currency had weakened / strengthened by 10% against the Euro during the year to 30 June 2023, with all other variables held constant, pre-tax profit for the year would increase / (decrease) by £3,595,969 / (£2,942,156) (2022: £3,456,797 / (£2,828,288)).

There is also exposure to the South African Rand through loans with related parties (included in Note 15). If the functional currency had weakened / strengthened by 10% against the Rand during the year to 30 June 2023, with all other variables held constant, pre-tax profit for the year would (decrease) / increase by (£2,588,374) / £2,117,761 (2022: (£2,795,765) / £2,287,444).

The Company has shares in Moneyhub, The fair valuation of Moneyhub is determined under the guidance of the International Private Equity and Venture Capital Valuations Guidelines. If the price of the shares weaken / strengthen by 10% against the price at 30 June 2023 the unrealised gain/(loss) on investment would (decrease) / increase by £200,077 (2022: (decrease) / increase by £125,458).

The Company also has an option to receive shares in Moneyhub, exercisable at a future date. The valuation of the option as at end of June 2023 was based on the discounted cashflow workings of Moneyhub's future forecasts. The company determined there was no change in fair value from the previous year. If the price of the shares weaken / strengthen by 10% against the price at 30 June 2023 the unrealised gain/(loss) on investment would (decrease) / increase by £1,423,421 (2022: (decrease) / increase by \$831,496).

The Company also has a commitment in Anthemis Venture Fund I LP. If the Fair value of the investment (decreases) / increases by 10% against the value at 30 June 2023, the net amount of the fair value of the investment would (decrease) / increase by \$596,652 (2022: (decrease) / increase by \$1,124,031).

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. Financial Risk Management (continued)

2.4 Fair Value Estimation

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).

The Company has Level 3 investments as shown below:

At 30 June 2022	Level 1	Level 2	Level 3	Total
Assets	£	£	£	£
Financial assets at fair value through profit or loss				
- Equity Investments	-	-	10,232,604	10,232,604
- Derivative Investments - Options	-	-	8,376,091	8,376,091
Total assets	-	-	18,608,695	18,608,695

At 30 June 2023	Level 1	Level 2	Level 3	Total
Assets	£	£	£	£
Financial assets at fair value through profit or loss				
- Equity Investments	-	-	6,935,521	6,935,521
- Derivative Investments - Options	-	-	14,234,263	14,234,263
Total assets	-	-	21,169,784	21,169,784

The following table presents the movement in Level 3 instruments for the current and prior years.

	2023	2022
	£	£
Opening Balance	18,608,695	15,054,683
Fair Value movement	2,641,629	2,405,278
Purchases / Drawdowns	108,641	301,543
Distributions	-	(213,535)
Foreign Exchange gains / (losses)	(189,085)	1,060,726
Closing Balance	21,169,181	18,608,695

The fair value movement is unrealised gains for level 3 assets held at year end and are included in the Other gains / (losses) – net in the Statement of Comprehensive Income (page 13).

2. Financial Risk Management (continued)

2.4 Fair Value Estimation (continued)

As part of the final sales agreement of Moneyhub, the company has acquired equity shares in Moneyhub with a fair value at 30 June 2023 of £2,000,780. The valuation of the shares was based on the weighted average price of ordinary shares from the latest funding round. The Company also 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 £14,234,263 as at 30 June 2023 (2022: £8,376,091). The fair valuation of Moneyhub is determined under the guidance of the International Private Equity and Venture Capital Valuations Guidelines. The valuation of the option as at end of June 2023 was based on the discounted cashflow workings of Moneyhub's future forecasts. The results of price sensitivity are captured in Note 2.2 Paragraphs 5 and 6.

The fair valuation of the underlying investments in Anthemis Venture Fund I LP (AVF I LP) are determined under the guidance of the International Private Equity and Venture Capital Valuations Guidelines for all the Level 3 investments. The fair value in AVF I LP is based on the Company's commitment percentage of the net asset value position of the fund. The Company produces a sensitivity analysis on its percentage ownership of these investments. The results are captured in Note 2.2 Paragraph 7.

3. Investment in subsidiaries

	2023 £	2022 £
The investment in subsidiaries comprises		
Anthemis Exponential Ventures LLP	32,019,854	30,766,145
EuroGuard Insurance Company PCC Ltd	2,220,834	2,220,834
Momentum Africa Investments Management Ltd	1,491,039	1,491,039
	35,731,727	34,478,018

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%

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

4. Trade and other receivables

	Note	2023 £	2022 £
Non-current assets			
Receivables from related parties	15	3,153,638	3,110,594
Trade receivables		213,266	342,490
		3,366,904	3,453,084

5. Financial assets at fair value through profit or loss

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

	2023 £	2022 £
Anthemis Venture Fund I LP	4,934,740	9,039,154
Hub Investment Holdings Ltd	16,235,044	9,569,541
	21,169,784	18,608,695

6. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,767,747	3,494,801
	1,767,747	3,494,801

The carrying value approximates fair value. The average interest earned on the above funds during the year was £nil (2022: £nil).

7. Share capital

Ordinary Shares	2023 £	2022 £
<i>Issued and fully paid:</i>		
22,359,144 (2022: 22,359,144) Ordinary Shares £1 each	22,359,144	22,359,144
Total issued ordinary share capital	22,359,144	22,359,144

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

8. Trade and other payables

	Note	2023 £	2022 £
Non-current liabilities			
Amounts due to related parties	15	27,499,780	29,517,278
Current liabilities			
Amounts due to related parties	15	6,714,349	6,683,429
Accruals		27,066	35,989
		34,241,195	36,236,696

9. Deferred tax liability

The substantively enacted UK Corporation tax rate applicable during the year was 20.5%. The closing deferred tax liabilities have been calculated at 25%.

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.

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. These amounts relate to financial assets at FVTPL. The offset amounts are as follows:

	2023 £	2022 £
Deferred tax Liabilities:		
- Deferred tax liability to be settled after more than 12 months	(801,170)	(1,537,859)
Deferred tax liability (net)	(801,170)	(1,537,859)

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

	2023 £	2022 £
At 1 July		(595,045)
	(1,537,859)	
Income statement change	604,085	(573,728)
Change in tax rates	132,604	(369,086)
At 30 June	(801,170)	(1,537,859)

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

10. Administrative expenses

Operating profit are determined after the following into account:

	2023 £	2022 £
Group recharges - office rent	-	-
Staff related costs	35,000	35,000
Fees payable to the Company's auditor for the audit of the financial statements		
- Audit related assurance services	21,450	26,000
Fees payable to PWC and RSM for other services		
- Non audit services	-	(8,000)
Professional fees	(10,000)	-
Other expenses	212	265
	46,662	53,265

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 (2022: £nil), and no allocations of their payments is done across the various entities within the group.

11. Other (expense) / income

	2023 £	2022 £
Net foreign exchange profit / (loss)	4,706,961	349,945
	4,706,961	349,945

12. Net finance income

	Note	2023 £	2022 £
Interest Income		13,528	8,644
Interest received on group loans	15	203,153	63,263
Interest expense		(1)	(1,215)
Interest paid on group subordinated loan	15	(38,411)	(14,845)
		178,269	55,847

MOMENTUM METROPOLITAN HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

13. Other gains / (losses) - net

	2023	2022
	£	£
Gains on revaluation of financial assets at fair value through profit or loss	2,641,533	2,405,278
Gains / (losses) on revaluation of loans	(2,848,274)	2,106,433
Gains on revaluation of investments	-	-
FX Gains / (losses) on investments	(189,085)	1,060,726
	(395,827)	5,572,437

14. Income tax expense

	2023	2022
	£	£
Normal taxation		
- United Kingdom corporate tax at 20.5% (2022: 19%)	(1,570,153)	(333,966)
- Adjustments in respect of prior years	(73,317)	9,364
- Deferred Tax	736,689	(942,814)
Total taxation	(906,781)	(1,267,416)

Factors affecting the tax charge for the current year:

Profit before tax	4,404,348	5,916,877
Tax at 20.5% (2022: 19%)	(902,891)	(1,124,207)
<i>Income not subjected to tax:</i>		
Prior year adjustment	73,317	9,364
Expenses not deductible for tax purposes	55,398	(66,984)
Timing differences	-	(85,590)
Rate change movement	(132,604)	-
	(906,781)	(1,267,416)

15. 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 Holdings 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.

In 2022 the ZAR loan between the Company and Momentum Metropolitan Finance Company (Pty) Ltd was transferred to Momentum Metropolitan Strategic Investments (Pty) Ltd.

Details of transactions with relevant related parties appear below:

Amounts due from related parties:	2023	2022
	£	£
Subsidiaries		
Momentum Africa Investments Management Ltd	2,810,401	2,766,183
Parent Company		
Momentum Metropolitan Group Ltd	343,237	344,411
	3,153,638	3,110,594

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. The loan is revalued and the movement is shown in (Loss) / Gain on revaluation of loan. In 2023 there was an unrealised loss of £38,393 (2022: unrealised loss of £8,087).

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 2023

15. Related parties (continued)

Amounts due to related parties:	2023	2022
	£	£
Fellow Subsidiaries		
Momentum Global Investment Management Ltd	6,714,349	6,683,429
Momentum Metropolitan Strategic Investments (Pty) Ltd ¹	26,898,834	28,894,884
Momentum Metropolitan Finance Company (Pty) Ltd ²	600,946	622,394
	34,214,129	36,200,707

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

¹ – The ZAR and USD loan with Momentum Metropolitan Finance Company (Pty) Ltd was transferred to Momentum Metropolitan Strategic Investments (Pty) Ltd in June 2022. Payables to Momentum Metropolitan Strategic Investments (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	2023	2022
	£	£
Subsidiaries		
Momentum Africa Investments Management Ltd	203,153	63,263
	203,153	63,263
Interest expense		
Fellow Subsidiaries		
Momentum Metropolitan Finance Company (Pty) Ltd	38,411	14,845
	38,411	14,845

16. Notes to the statement of cash flows

	2023	2022
	£	£
Profit for the year	3,497,567	4,649,461
Interest received separately disclosed	(216,681)	(71,907)
Interest paid separately disclosed	38,412	16,060
Income tax (paid) / received separately disclosed	407,282	(136,975)
Impairments	38,393	8,087
Change in investment in subsidiaries	(1,253,709)	(1,883,360)
Change in financial assets at fair value through profit or loss	(2,490,840)	(3,474,091)
Trade and other receivables decrease	86,180	240,548
Trade and other payables increase / (decrease)	(1,995,502)	1,243,078
Current income tax liability increase / (decrease)	1,236,187	461,577
Deferred tax liability increase / (decrease)	(736,689)	942,814
Effect on Foreign Exchange Rate Change separately disclosed	18,888	(1,410,671)
Net cash flows (used in) / generated from in operating activities	(1,370,511)	584,621