

Company Registration No. 06925833 (England and Wales)

MOMENTA SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019





MOMENTA SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	R W Stevens K M Riches M Westbrook
Company number	06925833
Registered office	Tower 42 25 Old Broad Street London EC2N 1HQ
Auditor	Buckle Barton Limited Sanderson House Station Road Horsforth Leeds LS18 5NT

MOMENTA SOLUTIONS LIMITED

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MOMENTA SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Business review

The financial statements for Momenta Solutions Limited and its subsidiary companies (the Momenta Business) for the year ended 31 March 2019 show turnover of £97.3m (2018: £80.1m). Profit before tax for the group (after deducting the amortisation of goodwill on consolidation) was £1.4m (2018: £2.4m).

The Momenta Business has continued to expand upon its position as one of the primary suppliers of resource to its core market, retail financial services in the UK and in Australia. We will continue to address both the historical issues and the future challenges our clients face as a result of the regulatory markets in which they operate. The risk and regulation arena continues to be demanding on those businesses and Momenta's proven track record and experience in those areas will mean that substantial opportunities and the resultant growth of the business will continue.

Following on from the successful entry by the Momenta Business into the Australian market in late 2016 and the subsequent successful growth there, the group sees the opportunity for further overseas expansion. The same regulatory issues which the retail financial services industry in the UK has seen grow over time are continuing to arise or emerge in overseas markets providing significant opportunities for us. The business will rely on its proven routes to market and primarily use its expertise in operating through key strategic alliances to gain penetration in those new markets. In November 2018, the group established an office in New York, initially to support an existing client of the group based there, but also to support wider opportunities in the United States market.

We continue to invest in our people and processes to provide an enhanced business experience for our clients, employees and associates. The business' processes continue to be ISO 9001:2015 certified and on 9th May 2019 became ISO 27001:2017 certified in Information Security.

We anticipate that the prevailing market conditions in the financial services sector will continue through the current year with new regulatory driven opportunities arising. The outlook for the current year is positive and we continue to look forward to the future with a great deal of confidence that we will be able to continue our success in 2019/20.

MOMENTA SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

The group uses various financial instruments; these include loans, cash, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. No transactions of a speculative nature are undertaken.

The main risks arising from the group's financial instruments are market risk, interest rate risk, credit risk, and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk, and price risk (the company does not have any listed investments). The group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Interest rate risk

The group finances its operations through a five-year Term Loan, drawn down on 17th October 2018 alongside a Receivables Purchase Agreement facility entered into in December 2018. The group's exposure to interest rate fluctuations is not considered by the Board to be significant, and the company is therefore subject to fair value interest rate.

Credit risk

The group's principle financial assets are cash and trade debtors. The credit risk associated with the cash is limited as counter parties have high credit ratings assigned by international credit-rating agencies. The principle credit risk arises therefore from its trade debtors.

Credit limits are reviewed by the directors on a regular basis in conjunction with debt ageing and collection histories.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by an invoice discounting facility.

MOMENTA SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Financial key performance indicators


Management use a range of performance measures to monitor and manage the business. These performance measures include the financial key performance indicators of revenue, gross profit margin, and operating profit margin.

Revenue (£) - the group analyses revenue by territory, client and project. This links directly to charge rates per head and the focus is on delivering market rates to clients. Any volume discount given to clients is based on headcount delivery. The revenue for UK customers of the Momenta Business in the year ended 31 March 2019 was £78.0m (2018: £75.7m), and for Australian customers it was £19.0m (2018: £4.5m). Revenue in other markets was £0.4m (2018: £Nil)

Gross profit margin (%) - the focus is on paying our associates (the contractors and staff we supply to our clients) at market rates whilst maintaining our gross margin targets. The aggregate gross margin for the Momenta Business in the year ended 31 March 2019 was 17.0% (2018: 13.6%)

Operating profit margin (before the amortisation of goodwill, exceptional items and group management charges) (%) - overhead cost controls are in place to achieve operating profit in line with strategic forecasts. There is a focus on efficiencies via process improvements and system development to increase the contribution per head. The operating margin achieved by the acquired Momenta Business in the year ended 31 March 2019 was 5% (2018: 3.3%)

On behalf of the board



R Stevens

Director

25 July 2019

MOMENTA SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The company's principal activity during the year was that of a holding company. The group's principal activity during the year was the provision of outsourced support services to the retail financial services market internationally.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R W Stevens	
L J Davies	(resigned 17 October 2018)
T W Peart	(resigned 17 October 2018)
K M Riches	
M Westbrook	(appointed 5 December 2018)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Future developments

The directors intend to continue to develop the group's existing activities, both in the UK and overseas

Auditor

In accordance with the company's articles, a resolution proposing that Buckle Barton Limited be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOMENTA SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



R Stevens

Director

25 July 2019

MOMENTA SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOMENTA SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Momenta Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

MOMENTA SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOMENTA SOLUTIONS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MOMENTA SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOMENTA SOLUTIONS LIMITED

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.

Mark Dalton BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Buckle Barton Limited

25 July 2019

Accountants
Statutory Auditor

Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

MOMENTA SOLUTIONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	£
Turnover	3	97,336,206	80,182,097
Cost of sales		(83,106,378)	(69,302,425)
Gross profit		<u>14,229,828</u>	<u>10,879,672</u>
Administrative expenses		(11,331,945)	(8,456,010)
Other operating income/(expenses)		18,229	(114,103)
Raising of finance and group reorganisation costs	4	(1,158,966)	-
Operating profit	5	<u>1,757,146</u>	<u>2,309,559</u>
Interest receivable and similar income	9	447,323	762,816
Interest payable and similar expenses	10	(775,859)	(621,988)
Profit before taxation		<u>1,428,610</u>	<u>2,450,387</u>
Tax on profit	11	(185,360)	(459,323)
Profit for the financial year		<u><u>1,243,250</u></u>	<u><u>1,991,064</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

MOMENTA SOLUTIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Goodwill	12		877,514		1,228,518
Tangible assets	13		915,531		549,615
Investments	14		500,000		500,000
			<u>2,293,045</u>		<u>2,278,133</u>
Current assets					
Debtors falling due after more than one year	17	-		5,992,401	
Debtors falling due within one year	17	29,294,106		36,871,751	
Cash at bank and in hand		12,014,790		1,021,560	
		<u>41,308,896</u>		<u>43,885,712</u>	
Creditors: amounts falling due within one year	18	<u>(30,958,925)</u>		<u>(34,802,079)</u>	
Net current assets			<u>10,349,971</u>		<u>9,083,633</u>
Total assets less current liabilities			<u>12,643,016</u>		<u>11,361,766</u>
Provisions for liabilities	20		<u>(100,000)</u>		<u>(62,000)</u>
Net assets			<u>12,543,016</u>		<u>11,299,766</u>
Capital and reserves					
Called up share capital	22		630		630
Share premium account			393,427		393,427
Profit and loss reserves			12,148,959		10,905,709
Total equity			<u>12,543,016</u>		<u>11,299,766</u>

The financial statements were approved by the board of directors and authorised for issue on 25 July 2019 and are signed on its behalf by:



R Stevens
Director

MOMENTA SOLUTIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Investments	14		3,394,030		3,394,030
Current assets					
Debtors falling due after more than one year	17	-		5,992,401	
Debtors falling due within one year	17	26,347,071		26,472,136	
Cash at bank and in hand		2,109,067		31,428	
		<u>28,456,138</u>		<u>32,495,965</u>	
Creditors: amounts falling due within one year	18	<u>(30,223,697)</u>		<u>(32,541,678)</u>	
Net current liabilities			<u>(1,767,559)</u>		<u>(45,713)</u>
Total assets less current liabilities			<u>1,626,471</u>		<u>3,348,317</u>
Capital and reserves					
Called up share capital	22		630		630
Share premium account			393,427		393,427
Profit and loss reserves			1,232,414		2,954,260
Total equity			<u>1,626,471</u>		<u>3,348,317</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,721,845 (2018 - £980,606 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 July 2019 and are signed on its behalf by:


R Stevens
Director

Company Registration No. 06925833

MOMENTA SOLUTIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2017	630	393,427	8,914,645	9,308,702
Year ended 31 March 2018:				
Profit and total comprehensive income for the year	-	-	1,991,064	1,991,064
Balance at 31 March 2018	630	393,427	10,905,709	11,299,766
Year ended 31 March 2019:				
Profit and total comprehensive income for the year	-	-	1,243,250	1,243,250
Balance at 31 March 2019	630	393,427	12,148,959	12,543,016

MOMENTA SOLUTIONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2017	630	393,427	1,973,654	2,367,711
Year ended 31 March 2018:				
Profit and total comprehensive income for the year	-	-	980,606	980,606
Balance at 31 March 2018	630	393,427	2,954,260	3,348,317
Year ended 31 March 2019:				
Loss and total comprehensive income for the year	-	-	(1,721,846)	(1,721,845)
Balance at 31 March 2019	630	393,427	1,232,414	1,626,471

MOMENTA SOLUTIONS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(9,143,917)		7,069,610
Interest paid			(775,859)		(621,988)
Income taxes refunded/(paid)			337,862		(2,097,618)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(9,581,914)		4,350,004
Investing activities					
Purchase of tangible fixed assets		(638,925)		(191,747)	
Proceeds from other investments and loans		-		(734,400)	
Interest received		447,323		762,816	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(191,602)		(163,331)
Financing activities					
Repayment of invoice discounting facility		(2,973,811)		-	
Loans to directors		(4,438,110)		(1,333,204)	
Repayment of bank loans		(8,333,333)		(8,000,000)	
Loans from parent company shareholders		7,000,000		-	
Loans to directors repaid		29,512,000		-	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			20,766,746		(9,333,204)
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			10,993,230		(5,146,531)
Cash and cash equivalents at beginning of year			1,021,560		6,168,091
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			12,014,790		1,021,560
			<u> </u>		<u> </u>

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Momenta Solutions Limited ("the company") is a private limited company domiciled and incorporated in the United Kingdom and registered in England and Wales. The registered office is Tower 42, 25 Old Broad Street, London, EC2N 1HQ.

The group consists of Momenta Solutions Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Momenta Solutions Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated mainly in relation to time worked by our resources under contract for clients at the contractual hourly staff rates for the respective client. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised and to the extent that it is probable will be recovered.

Revenue from the group's contract for review of potential misselling of shares is recognised when cases have been agreed by the Financial Services Compensation Scheme.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% on cost
Computer equipment and software	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019	2018
	£	£
Other significant revenue		
Interest income	447,323	762,816

	2019	2018
	£	£
Turnover analysed by geographical market		
UK	78,008,111	75,695,898
Australia	18,979,014	4,486,199
USA	349,081	-
	<u>97,336,206</u>	<u>80,182,097</u>

4 Exceptional costs/(income)

	2019	2018
	£	£
Raising of finance and group reorganisation costs	1,158,966	-

5 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	267,227	41,497
Depreciation of owned tangible fixed assets	273,009	161,400
Amortisation of intangible assets	351,004	351,004
Operating lease charges	378,268	353,787

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	6,000
Audit of the financial statements of the company's subsidiaries	44,000	43,000
	<u>49,000</u>	<u>49,000</u>
For other services		
Taxation compliance services	2,500	3,650
Other taxation services	-	2,000
All other non-audit services	3,000	4,000
	<u>5,500</u>	<u>9,650</u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Client support services	91	18	-	-
Management and administration	63	47	-	-
	<u>154</u>	<u>65</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	5,896,257	2,717,438	-	-
Social security costs	528,463	238,429	-	-
Pension costs	128,355	118,115	-	-
	<u>6,553,075</u>	<u>3,073,982</u>	<u>-</u>	<u>-</u>

8 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	<u>740,397</u>	<u>378,149</u>

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	<u>319,129</u>	<u>130,905</u>
9 Interest receivable and similar income		
	2019 £	2018 £
Interest income		
Other interest income	<u>447,323</u>	<u>762,816</u>
10 Interest payable and similar expenses		
	2019 £	2018 £
Interest on bank overdrafts and loans	190,829	471,050
Interest on invoice finance arrangements	<u>585,030</u>	<u>150,938</u>
Total finance costs	<u>775,859</u>	<u>621,988</u>
11 Taxation		
	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	5,200	557,371
Adjustments in respect of prior periods	<u>(9,090)</u>	<u>(130,048)</u>
Total UK current tax	<u>(3,890)</u>	<u>427,323</u>
Foreign current tax on profits for the current period	<u>165,000</u>	<u>-</u>
Total current tax	<u>161,110</u>	<u>427,323</u>
Deferred tax		
Origination and reversal of timing differences	<u>24,250</u>	<u>32,000</u>
Total tax charge	<u>185,360</u>	<u>459,323</u>

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	1,428,610	2,450,387
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	271,436	465,574
Group relief	(248,049)	-
Depreciation on assets not qualifying for tax allowances	-	13,529
Effect of overseas tax rates	60,500	-
Under/(over) provided in prior years	(9,090)	(130,048)
Non-tax deductible amortisation of goodwill and impairment	66,501	66,701
Expenses not deductible for tax purposes, other than goodwill amortisation	44,062	15,008
Other differences	-	28,559
Taxation charge	185,360	459,323

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2018 and 31 March 2019	3,510,044
Amortisation and impairment	
At 1 April 2018	2,281,526
Amortisation charged for the year	351,004
At 31 March 2019	2,632,530
Carrying amount	
At 31 March 2019	877,514
At 31 March 2018	1,228,518

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Tangible fixed assets

Group	Fixtures and fittings £	Computer equipment and software £	Total £
Cost			
At 1 April 2018	677,028	730,388	1,407,416
Additions	-	638,925	638,925
At 31 March 2019	677,028	1,369,313	2,046,341
Depreciation and impairment			
At 1 April 2018	287,123	570,678	857,801
Depreciation charged in the year	241,563	31,446	273,009
At 31 March 2019	528,686	602,124	1,130,810
Carrying amount			
At 31 March 2019	148,342	767,189	915,531
At 31 March 2018	389,905	159,710	549,615

The company had no tangible fixed assets at 31 March 2019 or 31 March 2018.

14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	2,894,030	2,894,030
Unlisted investments		500,000	500,000	500,000	500,000
		500,000	500,000	3,394,030	3,394,030

Movements in fixed asset investments

Group	Investments other than loans £
Cost or valuation	
At 1 April 2018 and 31 March 2019	500,000
Carrying amount	
At 31 March 2019	500,000
At 31 March 2018	500,000

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in	Other	Total
	group undertakings	investments other than loans	
	£	£	£
Cost or valuation			
At 1 April 2018 and 31 March 2019	2,894,030	500,000	3,394,030
Carrying amount			
At 31 March 2019	2,894,030	500,000	3,394,030
At 31 March 2018	2,894,030	500,000	3,394,030

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Momenta Customer Services Limited	England & Wales	Provision of outsourced support services	Ordinary	100.00	-
Momenta Group Limited	England & Wales	Dormant company	Ordinary	100.00	-
Momenta Holdings (PPI) Limited	England & Wales	Provision of outsourced support services to the retail financial services market	Ordinary	100.00	-
Momenta Interim Management Limited	England & Wales	Provision of outsourced support services specialising in placement of interim management	Ordinary	100.00	-
Momenta Operations Limited	England & Wales	Provision of support services	Ordinary	100.00	-
Momenta People Limited	England & Wales	Provision of outsourced support services	Ordinary	-	100.00
Momenta Performance Academy Limited	England & Wales	Provision of training, learning and development resources	Ordinary	100.00	-
Momenta Resourcing PTY LTD	Australia	Outsourced support and administration services	Ordinary	-	100.00
Momenta Associates PTY Ltd	Australia	Outsourced support and administration services	Ordinary		100.00
Momenta Resourcing Inc	USA	Outsourced support and administration services	Ordinary	100.00	

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Subsidiaries

(Continued)

Momenta Solutions Limited owns 100% of the share capital of the following subsidiaries:

- Momenta Customer Services Limited
- Momenta Group Limited
- Momenta Interim Management Limited
- Momenta Holdings (PPI) Limited
- Momenta Operations Limited
- Momenta Performance Academy Limited
- Momenta Resourcing Inc (US)

Momenta Holdings (PPI) Limited owns 100% of the share capital of Momenta People Limited.

Momenta Interim Management Limited owns 100% of the share capital of Momenta Resourcing PTY Ltd.

Momenta Resourcing PTY Ltd owns 100% of the share capital of Momenta Associates PTY Ltd.

After the year end additional subsidiary companies were formed in Germany, India and Hong Kong as noted below:

Germany

Momenta Resourcing Deutschland GmbH

Registered office:

Heubachstrasse 40

10585 Berlin, Germany

Principal activity: outsourced support and administration services

India

Momenta Resourcing India Private Limited

Registered office:

007, Prestige Langleigh, Phase 1 Whitefield

Bangalore, Karnataka, India, 560066

Principal activity: outsourced support and administration services

Hong Kong

Momenta Resourcing Asia Limited

Registered office:

Suites 1601-1603 Kinwick Centre

32 Hollywood Road, Hong Kong

Principal activity: outsourced support and administration services

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	27,937,135	41,498,911	n/a	n/a
Equity instruments measured at cost less impairment	500,000	500,000	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	27,946,315	32,436,007	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

17 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	5,822,667	10,703,267	-	-
Corporation tax recoverable	206,165	535,041	1,149	-
Amounts owed by group undertakings	15,835,023	-	20,322,297	1,397,332
Other debtors	6,916,774	25,400,218	5,993,385	25,074,804
Prepayments and accrued income	497,477	230,975	30,240	-
	29,278,106	36,869,501	26,347,071	26,472,136
Deferred tax asset (note 21)	16,000	2,250	-	-
	29,294,106	36,871,751	26,347,071	26,472,136
Amounts falling due after more than one year:				
Other debtors	-	5,992,401	-	5,992,401
Total debtors	29,294,106	42,864,152	26,347,071	32,464,537

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	19	-	8,333,333	-	8,333,333
Trade creditors		12,948,078	14,928,507	69,737	-
Amounts owed to group undertakings		-	-	17,404,916	18,235,944
Corporation tax payable		170,096	-	-	280,000
Other taxation and social security		2,842,514	2,366,072	-	-
Other creditors		14,841,448	8,769,369	12,689,044	5,692,401
Accruals and deferred income		156,789	404,798	60,000	-
		<u>30,958,925</u>	<u>34,802,079</u>	<u>30,223,697</u>	<u>32,541,678</u>

19 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	-	8,333,333	-	8,333,333
	<u>-</u>	<u>8,333,333</u>	<u>-</u>	<u>8,333,333</u>
Payable within one year	-	8,333,333	-	8,333,333
	<u>-</u>	<u>8,333,333</u>	<u>-</u>	<u>8,333,333</u>

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

20 Security

The assets of Momenta Group Holdings Limited (the company's ultimate parent company) and the assets of all subsidiary companies of Momenta Group Holdings Limited are subject to fixed and floating charges in favour of funds managed by Tikehau Investment Management SAS which has made a loan to Momenta Acquisitions Limited (a subsidiary of Momenta Group Holdings Limited). The balance outstanding on the loan from Tikehau Investment Management SAS at 31 March 2019 was £40,000,000 plus accrued interest of £884,275.

A group invoice discounting facility, under which £0 (2018: £2,973,811) was outstanding at the year end was secured by a floating charge over the assets and undertakings of Momenta Solutions Limited, Momenta Interim Management Limited, Momenta Performance Academy Limited, Momenta Customer Services Limited, Momenta Group Limited, Momenta Holdings (PPI) Limited, Momenta Operations Limited and Momenta People Limited. The Company had entered into an unlimited cross company guarantee between the aforementioned companies. The facility was repaid in October 2018 and the relevant charges satisfied.

Together with Momenta Operations Limited, Momenta Interim Management Limited, Momenta Performance Academy Limited, Momenta Customer Services Limited, Momenta Holdings (PPI) Limited, Momenta Group Limited and Momenta People Limited, the company was guarantor of a bank loan to Momenta Solutions Limited of £0 (2018: £8,333,333). The loan was repaid in October 2018 and the relevant charges satisfied.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
	£	£	£	£
Accelerated capital allowances	100,000	62,000	-	2,250
Tax losses	-	-	16,000	-
	<u>100,000</u>	<u>62,000</u>	<u>16,000</u>	<u>2,250</u>

The company has no deferred tax assets or liabilities.

Movements in the year:	Group	Company
	2019	2019
	£	£
Liability at 1 April 2018	59,750	-
Charge to profit or loss	24,250	-
Liability at 31 March 2019	<u>84,000</u>	<u>-</u>

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	128,355	118,115
	<u>128,355</u>	<u>118,115</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
63,000 Ordinary of 1p each	630	630
	<u>630</u>	<u>630</u>

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	358,373	358,373	-	-
Between two and five years	389,851	748,225	-	-
	<u>748,224</u>	<u>1,106,598</u>	<u>-</u>	<u>-</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Acquisition of tangible fixed assets	71,612	283,169	-	-
	<u>71,612</u>	<u>283,169</u>	<u>-</u>	<u>-</u>

MOMENTA SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

26 Related party transactions

The company has taken advantage of the exemption provided by FRS 102 whereby disclosures need not be given of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

At the balance sheet date an amount of £420,970 (2018: £420,970) was due from I Get You Pro Limited to Momenta Holdings (PPI) Limited. During the year ended 31 March 2018 a provision of £400,644 was made against this debt and therefore the net amount included in other debtors at both 31 March 2019 and 31 March 2018 was £20,326. R Stevens, L Davies and T Peart are all directors and shareholders of I Get You Pro Limited.

Other debtors at 31 March 2018 included loans to L Davies, T Peart and R Stevens totalling £25,073,890. The loans were unsecured, repayable on demand and bore interest at 3% per annum. The loans were repaid in full in October 2018. The maximum total outstanding during the year ended 31 March 2019 was £29,512,000.

27 Controlling party

In the opinion of the directors, there is no ultimate controlling party.

In October 2018 the company became a wholly owned subsidiary of Momenta Acquisitions Limited which is itself a wholly owned subsidiary of Momenta Group Holdings Limited (a company registered in England & Wales and whose registered office is situated at 201 Bishopsgate, London, EC2M 3AB).

28 Cash generated from group operations

	2019	2018
	£	£
Profit for the year after tax	1,243,250	1,991,064
Adjustments for:		
Taxation charged	185,360	459,323
Finance costs	775,859	621,988
Investment income	(447,323)	(762,816)
Amortisation and impairment of intangible assets	351,004	351,004
Depreciation and impairment of tangible fixed assets	273,009	161,400
Movements in working capital:		
(Increase) in debtors	(11,818,970)	(6,029,796)
Increase in creditors	293,894	23,047,935
Cash (absorbed by)/generated from operations	(9,143,917)	19,840,102