

Company Registration No. 10527022 (England and Wales)

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**COMPANY INFORMATION**

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<b>Directors</b>	Mr R S Cooper Mr C A Cornick Mr J E Coxhead
<b>Company number</b>	10527022
<b>Registered office</b>	The Lakehouse Lakeside Cheadle Royal Business Park Cheadle SK8 3AX
<b>Auditor</b>	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor Floor 2 9 Portland Street Manchester M1 3BE

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# **ME GROUP HOLDINGS LIMITED**

## **AMENDED**

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# **ME GROUP HOLDINGS LIMITED**

## **AMENDED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present the strategic report for the year ended 31 March 2020.

#### **Business Strategy and Objectives**

ME Group's mission is to improve the quality and reduce the cost of dispute resolution, for all parties through the use of LegalTech. The Group offers three core services:

- ME Funding which provides litigation funding to facilitate large scale consumer access to dispute resolution. Our litigation funding enables consumers, many of whom are financially vulnerable, to gain redress in complex legal matters.
- ME LegalTech which provides expert analysis and reporting services to determine liability and quantum in complicated legal matters. Our proprietary technology uses complex algorithms to enable large scale consumer access to dispute resolution in an efficient manner that benefits all stakeholders.
- ME Outsourcing which provides operational capacity and expertise to law firms providing dispute resolution to consumers. This includes client administration, legal processing, marketing and financial management.

In January 2019 the Group announced an update to its strategy which included the winding down of ME Legal and Financial Limited, which traded as Mortgage.Claims and was a subsidiary of the Group. All clients and trading names were transferred to Quanta Law, a law firm which specialises in dispute resolution for consumers. The Group also disposed of Quanta Capital Holdings, which is focussed on commercial litigation and matrimonial disputes, as the Group is now solely focussed on services relating to consumer dispute.

The Group has achieved substantial growth and has continued to make progress across all areas of activity. This has included establishing a partnership with Forbes Ventures to deliver the first securitisation of UK consumer litigation funding.

The Group's strategy is now well defined and the management team are focussed on maximising value from the investment which has been made in the Group's systems and people, through the scalability of the Group's operations.

#### **Business Performance**

The Group delivered year on year improvements in all aspects of its financial performance.

Gross profit increased to £21.4m (up from £8.5m in previous year), with profits before taxation increasing to £13.1m (£2.6m). The improvements in both of these key performance indicators are directly attributable to the successful implementation of the first stage of the Group's revised strategy across 2019.

Gross margin stayed steady with the previous year at 60%, whilst net margin improved significantly to 36% (19% previous year), reflective of the improving efficiency of the underlying operating cost base, which is now stable and largely fixed in nature.

The year ahead is expected to deliver further significant growth as ME Group continues to deliver on its mission to improve the quality and reduce the cost of dispute resolution.

#### **Principal Risks and Uncertainties**

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulations, legal and ethical standards is a high priority for the Group and the finance department take on an important oversight in this regard, to ensure that a proper internal control framework exists to management of financial risks and that controls operate effectively.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**STRATEGIC REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2020***

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On behalf of the board



Mr R S Cooper  
**Director**  
24 August 2020

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**DIRECTORS' REPORT**  
***FOR THE YEAR ENDED 31 MARCH 2020***

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The directors present their annual report and financial statements for the year ended 31 March 2020.

**Principal activities**

The principal activity of the company and group is that of legal, financial, data processing, software development and information technology consultancy activities.

**Directors**

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

Mr R S Cooper  
Mr C A Cornick  
Mr J E Coxhead

**Results and dividends**

The results for the year are set out on page 8.

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

**Auditor**

In accordance with the company's articles, a resolution proposing that AMS Accountants Corporate 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.

**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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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On behalf of the board



Mr R S Cooper  
**Director**



Mr C A Cornick  
**Director**

24 August 2020

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF ME GROUP HOLDINGS LIMITED**

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**Opinion**

We have audited the financial statements of ME Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group profit and loss account, 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, the group statement of cash flows, the company statement of cash flows 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 2020 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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF ME GROUP HOLDINGS LIMITED**

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**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.

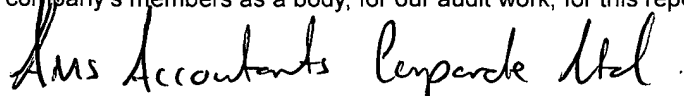
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**ME GROUP HOLDINGS LIMITED  
AMENDED  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF ME GROUP HOLDINGS LIMITED**

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**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.



**David Clegg (Senior Statutory Auditor)  
for and on behalf of AMS Accountants Corporate Limited**

24 August 2020

**Chartered Accountants  
Statutory Auditor**

Floor 2  
9 Portland Street  
Manchester  
M1 3BE

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

		Year ended 31 March 2020 £	Year ended 31 March 2019 £
	Notes		
Turnover	3	36,447,666	13,881,424
Cost of sales		(14,961,110)	(5,332,826)
<b>Gross profit</b>		<b>21,486,556</b>	<b>8,548,598</b>
Administrative expenses		(8,788,147)	(5,901,000)
Exceptional item	4	377,517	-
<b>Operating profit</b>	<b>5</b>	<b>13,075,926</b>	<b>2,647,598</b>
Interest receivable and similar income	8	90,216	614
Interest payable and similar expenses	9	(54,452)	(25,232)
<b>Profit before taxation</b>		<b>13,111,690</b>	<b>2,622,980</b>
Tax on profit	10	(2,257,264)	(312,134)
<b>Profit for the financial year</b>	<b>21</b>	<b>10,854,426</b>	<b>2,310,846</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		10,854,426	2,371,155
- Non-controlling interests		-	(60,309)
		<b>10,854,426</b>	<b>2,310,846</b>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

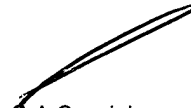
	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Profit for the year	10,854,426	2,310,846
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>10,854,426</b>	<b>2,310,846</b>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	10,854,426	2,371,155
- Non-controlling interests	-	(60,309)
	<b>10,854,426</b>	<b>2,310,846</b>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**GROUP BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	11	724,908		400,000	
Tangible assets	12	228,225		192,817	
			953,133		592,817
<b>Current assets</b>					
Debtors	16	29,462,712		7,929,813	
Cash at bank and in hand		870,778		291,103	
			30,333,490		8,220,916
<b>Creditors: amounts falling due within one year</b>	17	(16,686,132)		(4,681,814)	
<b>Net current assets</b>			13,647,358		3,539,102
<b>Total assets less current liabilities</b>			14,600,491		4,131,919
<b>Provisions for liabilities</b>	18	(395,831)		(341,494)	
<b>Net assets</b>			14,204,660		3,790,425
<b>Capital and reserves</b>					
Called up share capital	20	49,500		550,000	
Profit and loss reserves	21	14,155,160		3,300,734	
<b>Equity attributable to owners of the parent company</b>			14,204,660		3,850,734
<b>Non-controlling interests</b>			-		(60,309)
			14,204,660		3,790,425

The financial statements were approved by the board of directors and authorised for issue on 24 August 2020 and are signed on its behalf by:

  
Mr R-S Cooper  
Director

  
Mr G A Cornick  
Director

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	369,409	-
Tangible assets	12	225,469	48,107
Investments	13	505,602	500,102
		<u>1,100,480</u>	<u>548,209</u>
<b>Current assets</b>			
Debtors	16	15,243,937	934,993
Cash at bank and in hand		-	1,146
		<u>15,243,937</u>	<u>936,139</u>
<b>Creditors: amounts falling due within one year</b>	17	(17,353,601)	(934,348)
<b>Net current (liabilities)/assets</b>		<u>(2,109,664)</u>	<u>1,791</u>
<b>Total assets less current liabilities</b>		<u>(1,009,184)</u>	<u>550,000</u>
<b>Provisions for liabilities</b>	18	(71,215)	-
<b>Net (liabilities)/assets</b>		<u>(1,080,399)</u>	<u>550,000</u>
<b>Capital and reserves</b>			
Called up share capital	20	49,500	550,000
Profit and loss reserves	21	(1,129,899)	-
<b>Total equity</b>		<u>(1,080,399)</u>	<u>550,000</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 £1,129,899 (2019 - £0 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24 August 2020 and are signed on its behalf by:

  
Mr R S Cooper  
Director

  
Mr C A Cornick  
Director

Company Registration No. 10527022

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>Balance at 1 April 2018</b>	550,000	929,579	1,479,579	-	1,479,579
<b>Period ended 31 March 2019:</b>					
Profit and total comprehensive income for the period	-	2,371,155	2,371,155	(60,309)	2,310,846
<b>Balance at 31 March 2019</b>	550,000	3,300,734	3,850,734	(60,309)	3,790,425
<b>Period ended 31 March 2020:</b>					
Profit and total comprehensive income for the period	-	10,854,426	10,854,426	-	10,854,426
Disposal of subsidiary	-	-	-	60,309	60,309
Other movements	(500,500)	-	(500,500)	-	(500,500)
<b>Balance at 31 March 2020</b>	49,500	14,155,160	14,204,660	-	14,204,660

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2018	550,000	-	550,000
Period ended 31 March 2019:			
Profit and total comprehensive income for the period	-	-	-
Balance at 31 March 2019	550,000	-	550,000
Period ended 31 March 2020:			
Loss and total comprehensive income for the period	-	(1,129,899)	(1,129,899)
Other movements	(500,500)	-	(500,500)
Balance at 31 March 2020	49,500	(1,129,899)	(1,080,399)

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	2,673,033		274,699	
Interest paid		(54,452)		(25,232)	
Income taxes paid		(961,071)		-	
<b>Net cash inflow from operating activities</b>		<b>1,657,510</b>		<b>249,467</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(415,954)		-	
Purchase of tangible fixed assets		(309,220)		(158,479)	
Proceeds on disposal of tangible fixed assets		136,814		-	
Proceeds on disposal of investment property		(139,500)		-	
Proceeds on disposal of subsidiaries		(440,191)		(288,880)	
Proceeds on disposal of investments		-		288,880	
Interest received		90,216		614	
<b>Net cash used in investing activities</b>		<b>(1,077,835)</b>		<b>(157,865)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>579,675</b>		<b>91,602</b>	
Cash and cash equivalents at beginning of year		291,103		199,501	
<b>Cash and cash equivalents at end of year</b>		<b>870,778</b>		<b>291,103</b>	

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**COMPANY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	1,216,693		1,146	
<b>Investing activities</b>					
Purchase of intangible assets		(410,455)		-	
Purchase of tangible fixed assets		(251,964)		-	
Proceeds on disposal of investment property		(139,500)		-	
Proceeds on disposal of subsidiaries		(506,000)		(288,880)	
Proceeds on disposal of investments		-		288,880	
Interest received		90,080		-	
<b>Net cash used in investing activities</b>		(1,217,839)		-	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,146)		1,146	
Cash and cash equivalents at beginning of year		1,146		-	
<b>Cash and cash equivalents at end of year</b>		-		1,146	

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**Company information**

ME Group Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Lakehouse Lakeside, Cheadle Royal Business Park, Cheadle, SK8 3AX.

The group consists of ME Group Holdings 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 ME Group Holdings 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 2020. 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.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**(Continued)**

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

**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 services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Turnover is recognised once a case has been approved, this is at the point of receipt. 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.

**1.5 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Intellectual property	10 years straight line
-----------------------	------------------------

**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	4 years straight line
Computers	3 years straight line

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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

**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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

---

**1 Accounting policies**

**(Continued)**

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 and cash equivalents 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.

**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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**(Continued)**

***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.

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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**(Continued)**

***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.

***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 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**1.14 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.

**1.15 Retirement benefits**

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

**1.16 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.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1 Accounting policies** **(Continued)**

**1.17 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 in the period are included in profit or loss.

**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.

**3 Turnover and other revenue**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Interest income	90,216	614
	<u>          </u>	<u>          </u>

**4 Exceptional item**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Expenditure</b>		
Profit on disposal of subsidiaries	(377,517)	-
	<u>          </u>	<u>          </u>

On 31 March 2020, ME Group Holdings disposed of its wholly owned subsidiary ME Legal and Financial Limited. The disposal proceeds totalled £3,830,000 and the net assets of the entity were £4,097,290 resulting in a loss on disposal of £267,209.

On 31 March 2020, ME Group Holdings also disposed of its wholly owned subsidiary Companies, Quanta Capital Holdings Limited, Quanta Capital Outsourcing Limited, Handle My Divorce Limited, Quanta Matrimonial Finance Limited and Quanta Capital Litigation Finance Limited. The net liabilities of these entities on the date of disposal were £644,726 and there were no sale proceeds. On this basis the Group recorded a profit on disposal totalling £644,726.

**ME GROUP HOLDINGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**5 Operating profit**

	2020	2019
	£	£
Operating profit for the period is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	751	-
Depreciation of owned tangible fixed assets	136,998	62,471
Loss on disposal of investment property	139,500	-
Amortisation of intangible assets	91,046	50,000
Operating lease charges	73,565	-
	<u>          </u>	<u>          </u>

**6 Auditor's remuneration**

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	20,000	20,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Other assurance services	5,000	5,000
All other non-audit services	14,000	14,000
	<u>          </u>	<u>          </u>
	<u>19,000</u>	<u>19,000</u>

The additional service include:

Consolidation and reconciliation of group management accounts into a statutory format and support with budgeting and cashflows.

**7 Employees**

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

Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
<u>164</u>	<u>177</u>	<u>14</u>	<u>1</u>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**7 Employees**

**(Continued)**

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	3,684,512	3,276,713	1,305,521	-
Social security costs	256,751	324,923	154,121	-
Pension costs	193,441	64,785	88,997	-
	<u>4,134,704</u>	<u>3,666,421</u>	<u>1,548,639</u>	<u>-</u>

**8 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	136	614
Other interest income	90,080	-
Total income	<u>90,216</u>	<u>614</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>136</u>	<u>614</u>
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**9 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	8	-
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	10,000	-
Other interest	44,444	25,232
Total finance costs	<u>54,452</u>	<u>25,232</u>

**10 Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>2,257,264</u>	<u>312,134</u>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**10 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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit before taxation	13,111,690	2,622,980
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	2,491,221	498,366
Tax effect of expenses that are not deductible in determining taxable profit	10,724	65,008
Tax effect of income not taxable in determining taxable profit	(127,172)	-
Tax effect of utilisation of tax losses not previously recognised	-	(19,931)
Unutilised tax losses carried forward	84,253	-
Group relief	(4,029)	-
Permanent capital allowances in excess of depreciation	917	(9,382)
Depreciation on assets not qualifying for tax allowances	-	639
Research and development tax credit	(198,650)	(222,566)
Taxation charge	2,257,264	312,134

**11 Intangible fixed assets**

<b>Group</b>	<b>Intellectual property</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2019	500,000
Additions	415,954
At 31 March 2020	915,954
<b>Amortisation and impairment</b>	
At 1 April 2019	100,000
Amortisation charged for the year	91,046
At 31 March 2020	191,046
<b>Carrying amount</b>	
At 31 March 2020	724,908
At 31 March 2019	400,000

**ME GROUP HOLDINGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**11 Intangible fixed assets**

**(Continued)**

<b>Company</b>	<b>Intellectual property £</b>
<b>Cost</b>	
At 1 April 2019	-
Additions	410,455
At 31 March 2020	410,455
<b>Amortisation and impairment</b>	
At 1 April 2019	-
Amortisation charged for the year	41,046
At 31 March 2020	41,046
<b>Carrying amount</b>	
At 31 March 2020	369,409
At 31 March 2019	-

**12 Tangible fixed assets**

<b>Group</b>	<b>Fixtures and fittings £</b>	<b>Computers £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2019	44,529	251,377	295,906
Additions	82,021	227,199	309,220
Disposals	(9,329)	(279,926)	(289,255)
At 31 March 2020	117,221	198,650	315,871
<b>Depreciation and impairment</b>			
At 1 April 2019	20,275	82,814	103,089
Depreciation charged in the year	21,759	115,239	136,998
Eliminated in respect of disposals	(6,044)	(146,397)	(152,441)
At 31 March 2020	35,990	51,656	87,646
<b>Carrying amount</b>			
At 31 March 2020	81,231	146,994	228,225
At 31 March 2019	24,254	168,563	192,817

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**12 Tangible fixed assets**

**(Continued)**

<b>Company</b>	<b>Fixtures and fittings £</b>	<b>Computers £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2019	33,669	92,437	126,106
Additions	82,021	169,943	251,964
At 31 March 2020	115,690	262,380	378,070
<b>Depreciation and impairment</b>			
At 1 April 2019	16,991	61,008	77,999
Depreciation charged in the year	19,050	55,552	74,602
At 31 March 2020	36,041	116,560	152,601
<b>Carrying amount</b>			
At 31 March 2020	79,649	145,820	225,469
At 31 March 2019	16,678	31,429	48,107

**13 Fixed asset investments**

	<b>Notes</b>	<b>Group 2020 £</b>	<b>2019 £</b>	<b>Company 2020 £</b>	<b>2019 £</b>
Investments in subsidiaries	14	-	-	505,602	500,102

**Movements in fixed asset investments**  
**Company**

	<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>	
At 1 April 2019	500,102
Additions	5,500
At 31 March 2020	505,602
<b>Carrying amount</b>	
At 31 March 2020	505,602
At 31 March 2019	500,102

**14 Subsidiaries**

Details of the company's subsidiaries at 31 March 2020 are as follows:

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**14 Subsidiaries**

**(Continued)**

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
DA Reporting Technology Limited	England and Wales	Ordinary	-	100.00
Handle My Divorce Ltd	England and Wales	Ordinary	-	79.20
Housing Assessment Reporting Technology Limited	England and Wales	Ordinary	-	100.00
ME Consumer Limited	England and Wales	Ordinary	100.00	-
ME Costs Limited	England and Wales	Ordinary	-	100.00
ME Data Limited	England and Wales	Ordinary	100.00	-
UCAT Limited	England and Wales	Ordinary	-	100.00
ME Finance & Investments Limited	England and Wales	Ordinary	-	100.00
MLFL Collections Limited	England and Wales	Ordinary	-	100.00
ME LegalTech Limited	England and Wales	Ordinary	100.00	-
ME Outsourcing Limited	England and Wales	Ordinary	100.00	-
Mortgage Audit Reporting Software Limited	England and Wales	Ordinary	-	100.00
Mortgage Checking Software Limited	England and Wales	Ordinary	-	100.00
Quanta Capital Holdings Ltd	England and Wales	Ordinary	79.20	-
Quanta Capital Litigation Ltd	England and Wales	Ordinary	-	79.20
Quanta Capital Outsourcing Ltd	England and Wales	Ordinary	-	79.20
Quanta Capital Matrimonial Finance Ltd	England and Wales	Ordinary	-	79.20
Quantafi Limited	England and Wales	Ordinary	-	100.00
SIPP Technology Assessment Reporting Software Limited	England and Wales	Ordinary	-	100.00

As at 31 March 2020, Quanta Capital Holdings Limited, Quanta Capital Matrimonial Finance Limited, Quanta Capital Outsourcing, Quanta Capital Litigation Finance Limited, Handle My Divorce Limited and MLFL Collections Limited were all disposed and exited the group.

All the entities above have the same registered office as the parent company ME Group Holdings Limited.

The following subsidiaries are exempt from audit under the requirements of s479A of the Companies Act 2006. ME Group Holdings Limited guarantees the companies under s479C of the Companies Act 2006 in respect of the year ended 31 March 2020.

- ME Consumer Limited, company number 10548319
- ME Outsourcing Limited, company number 10927019
- UCAT Limited, company number 10552323
- MLFL Collections Limited, company number 08328211
- ME Legaltech Limited, company number 10550435
- Quanta Capital Outsourcing Limited, company number 11435102
- Quanta Capital Matrimonial Finance Limited, company number 11691736
- Quanta Capital Holdings Limited, company number 11430005
- ME Finance and Investments Limited, company number 11103693

**ME GROUP HOLDINGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**15 Financial instruments**

	<b>Group 2020 £</b>	<b>2019 £</b>	<b>Company 2020 £</b>	<b>2019 £</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	25,053,201	7,873,860	15,003,313	934,993
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	14,584,743	2,912,035	17,353,601	934,348

Financial assets measured at amortised cost comprise cash, trade and other debtors and amounts owed from group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts and loans, trade and other creditors and amounts owed to group undertakings.

**16 Debtors**

	<b>Group 2020 £</b>	<b>2019 £</b>	<b>Company 2020 £</b>	<b>2019 £</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	1,132,690	904,816	10,817	-
Amounts owed by group undertakings	-	-	14,123,915	446,113
Other debtors	9,136,362	1,129,479	996,493	488,880
Prepayments and accrued income	19,193,660	5,895,518	112,712	-
	29,462,712	7,929,813	15,243,937	934,993

**17 Creditors: amounts falling due within one year**

	<b>Group 2020 £</b>	<b>2019 £</b>	<b>Company 2020 £</b>	<b>2019 £</b>
Trade creditors	6,161,636	1,493,810	545,235	(1,732)
Amounts owed to group undertakings	-	-	15,955,627	25,001
Amounts owed to undertakings in which the group has a participating interest	-	-	100	910,979
Corporation tax payable	1,608,327	312,134	-	-
Other taxation and social security	493,062	1,457,645	-	-
Other creditors	8,296,230	1,207,037	784,894	100
Accruals and deferred income	126,877	211,188	67,745	-
	16,686,132	4,681,814	17,353,601	934,348

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**18 Provisions for liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	395,831	341,494	71,215	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Movements on provisions:

<b>Group</b>	<b>VAT surcharge provision £</b>
At 1 April 2019	341,494
Additional provisions in the year	183,780
Reversal of provision	(129,443)
At 31 March 2020	<u>395,831</u>
<b>Company</b>	<b>£</b>
Additional provisions in the year	<u>71,215</u>

The VAT surcharge provision relates to an amount in relation to a historic VAT position which will be settled with HMRC in the financial year ending 31 March 2021.

**19 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>193,441</u>	<u>64,785</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.

**20 Share capital**

	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
49,500 Ordinary A of £1 each	49,500	49,500
500 Ordinary B of £1 each	-	500
500,000 Ordinary C of £1 each	-	500,000
	<u>49,500</u>	<u>550,000</u>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**20 Share capital**

**(Continued)**

Ordinary A £1 shares are non- redeemable with equal rights to voting, dividends and capital distribution on winding up.

Ordinary B £1 shares are non- redeemable with equal rights to voting, dividends and capital distribution on winding up.

Ordinary C £1 shares are non- redeemable with no rights to voting, equal rights to dividends and capital distribution on winding up.

During the year the company disposed of 500 Ordinary B shares with a par value of £1 and 500,000 Ordinary C shares with a par value of £1.

The shares were held in the name of Quanta Capital (BVI) Limited. These were disposed of by a debt for equity swap in which a debt owed from Quanta Capital (BVI) Limited was written off in consideration for the shares. The proceeds on the transaction totalled £550,000.

**21 Profit and loss reserves**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At the beginning of the year	3,300,734	929,579	-	-
Profit/(loss) for the year	10,854,426	2,371,155	(1,129,899)	-
At the end of the year	<u>14,155,160</u>	<u>3,300,734</u>	<u>(1,129,899)</u>	<u>-</u>

**22 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:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	337,432	117,200	-	-
Between two and five years	310,703	-	-	-
	<u>648,135</u>	<u>117,200</u>	<u>-</u>	<u>-</u>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**23 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	388,054	392,917

**Transactions with related parties**

During the year the group entered into the following transactions with related parties:

	2020 £	2019 £
<b>Group</b>		
Entities with control, joint control or significant influence over the company	300,000	274,391

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
<b>Amounts due to related parties</b>		
<b>Group</b>		
Other related parties	51,554	238,779

The following amounts were outstanding at the reporting end date:

	2020 Balance £	2019 Balance £
<b>Amounts due from related parties</b>		
<b>Group</b>		
Other related parties	3,282,352	465,155

**Other information**

The group has taken advantage of FRS 102, section 33.1A available for transactions with wholly owned subsidiaries, and has chosen not to disclose related party transactions within the group.

**24 Directors' transactions**

At the balance sheet date, a balance of £423,620 (2019 - Nil) was owed to the directors.

The above amount is interest free and does not have a fixed repayment date.

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**25 Controlling party**

There is no ultimate controlling party.

**26 Cash generated from group operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	10,854,426	2,310,846
<b>Adjustments for:</b>		
Taxation charged	2,257,264	312,134
Finance costs	54,452	25,232
Investment income	(90,216)	(614)
Loss on disposal of investments	139,500	-
Amortisation and impairment of intangible assets	91,046	50,000
Depreciation and impairment of tangible fixed assets	136,998	62,471
Increase in provisions	54,337	341,494
<b>Movements in working capital:</b>		
Increase in debtors	(24,353,204)	(5,753,171)
Increase in creditors	13,528,430	2,926,307
<b>Cash generated from operations</b>	<u>2,673,033</u>	<u>274,699</u>

**27 Cash generated from operations - company**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(1,129,899)	-
<b>Adjustments for:</b>		
Investment income	(90,080)	-
Loss on disposal of investments	139,500	-
Amortisation and impairment of intangible assets	41,046	-
Depreciation and impairment of tangible fixed assets	74,602	39,078
Increase in provisions	71,215	-
<b>Movements in working capital:</b>		
Increase in debtors	(14,308,944)	(11,192)
Increase/(decrease) in creditors	16,419,253	(26,740)
<b>Cash generated from operations</b>	<u>1,216,693</u>	<u>1,146</u>

**ME GROUP HOLDINGS LIMITED**  
**AMENDED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**28 Analysis of changes in net funds - group**

	<b>1 April 2019</b>	<b>Cash flows</b>	<b>31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	291,103	579,675	870,778
	<u>          </u>	<u>          </u>	<u>          </u>

**29 Analysis of changes in net funds - company**

	<b>1 April 2019</b>	<b>Cash flows</b>	<b>31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,146	(1,146)	-
	<u>          </u>	<u>          </u>	<u>          </u>

**30 Amended Financial Statements**

The revised financial statements replace the original financial statements and are now the statutory accounts.

The original financial statements disclosed Mortgage Audit Reporting Software Limited, company number 09374232 as taking advantage of the s479A parent guarantee audit exemption. This disclosure was incorrect and has been amended in these financial statements..

They have been prepared as at the date of the original financial statements, and not as at the date of the revision and accordingly do not deal with events between those dates.