

ME GROUP HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018



ME GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr R S Cooper	(Appointed 15 December 2016)
	Mr C A Cornick	(Appointed 15 December 2016)
	Mr J E Coxhead	(Appointed 15 December 2016)
Company number	10527022	
Registered office	ME Group, Building 26, Alderley Park, Congleton Road, Nether Alderley Macclesfield England SK10 4UN	
Auditor	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor 2nd Floor 9 Portland Street Manchester M1 3BE	

ME GROUP HOLDINGS LIMITED

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ME GROUP HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2018

The directors present the strategic report for the period ended 31 March 2018.

Business Strategy and objectives

ME Group Holdings Limited and its subsidiary entities (the "Group") aims to become the leading provider of LegalTech to the claimant legal profession in the UK, and in doing so also become the largest creator of validated claim assets against which litigation funders and legal insurers can safely deploy capital in volume.

This has been our first year of trading and we have made rapid progress successfully launching our first product in the market, Mortgage Auditing Reporting Software ("MARS"), which enables law firms to make an accurate detailed assessment of potential claims in respect of mis-sold mortgages.

We believe there is a significant opportunity to further develop and grow the business not only through growth in the existing product line but also with the addition of new proven products which will be launched during the course of the current financial year.

Most of the investment made in our underlying core technology during our first year will enable us to bring future products to market more quickly, and with comparatively less investment required.

Business Model

We provide an end to end solution for UK claimant law firms and their clients encompassing client origination, case validation and quantum assessment, litigation funding, and legal insurance. We have established an experienced senior management team who in turn have recruited and trained teams providing capacity for long term growth.

In addition, the Group has invested heavily in technology prior to and following launch, which will also facilitate growth during the current financial year. The Group's proprietary software is highly sophisticated and is difficult to replicate thus providing both a significant competitive advantage and representing a high barrier to entry for competitors.

ME GROUP HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

Business environment

We believe that there is great opportunity in our target markets as the significant reduction in the personal injury market will mean more claimant law firms seeking to diversify and therefore increase the number of potential customers to the Group. We believe we are also well positioned in consumer proposition to take advantage of the continuing shift to digital on-demand services in the legal sector.

Whilst there is great opportunity the Group faces a number of risks and challenges which are often associated with a new business. The principle risks and challenges are:

Single marketing method

During the concept stage we have been reliant almost exclusively on a single social media marketing method. The Group is currently conducting trials to diversify into other marketing channels.

Over reliance on third parties

There has been an over reliance on certain third parties who provide services to the Group. Given the success we have had to date the Group is actively increasing the number of partners with whom we deal.

Single Product Offer

The Group's turnover in our first year has all been generated by a single product, MARS. We have a number of products which are currently in various stages of development and will be launched in a controlled manner over the course of the current financial year.

Future FCA Regulation

It is our intention for certain subsidiary entities to become FCA regulated, and one of our main trading entities is likely to have a change of regulator to the FCA in the forthcoming 12 months. We are actively preparing for this and the required standards and culture are already being adopted across the Group.

GDPR

GDPR will impact on many consumer facing businesses. We have recognised this and full GDPR compliance is anticipated before the relevant date of 25 May 2018.

Access to funding

Our business is growing quickly and we have plans to launch a series of new products in the coming months. This will require further investment in people, premises, technology and marketing. There may be a lag between this investment and the realisation of fee income from client law firms and thus we may require funding to facilitate this growth.

Business Performance

During our launch year we achieved a turnover in excess of £5million and most importantly we made a profit before tax of just under £1million. This provides the Group with a strong platform from which to grow significantly during the current financial year.

On behalf of the board



Mr R S Cooper
Director

13 June 2018

ME GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the period ended 31 March 2018.

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 period and up to the date of signature of the financial statements were as follows:

Mr R S Cooper	(Appointed 15 December 2016)
Mr C A Cornick	(Appointed 15 December 2016)
Mr J E Coxhead	(Appointed 15 December 2016)
Mr T Hardwick	(Appointed 15 December 2016 and resigned 13 March 2018)
Mr S Rogers	(Appointed 15 December 2016 and resigned 13 March 2018)

Results and dividends

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.

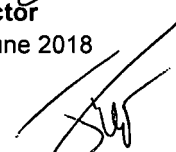
Statement of disclosure to auditor

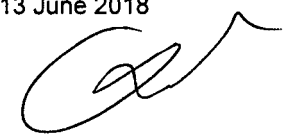
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


Mr R S Cooper
Director
13 June 2018


Mr J E Coxhead
Director
13 June 2018

Mr C A Cornick
Director
13 June 2018


ME GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2018

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.

ME GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ME GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of ME Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2018 which comprise the group profit and loss account, the group balance sheet, the company balance sheet 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 2018 and of the group's profit for the period 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 the provisions available for small entities, in the circumstances set out in note 17 to the financial statements, 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

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ME GROUP HOLDINGS 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 parent company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

ME GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

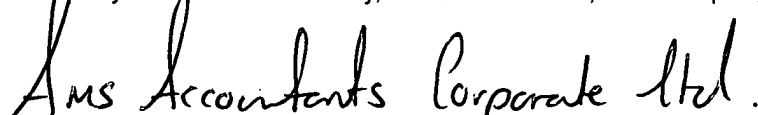
TO THE MEMBERS OF ME GROUP HOLDINGS LIMITED

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.

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

13 June 2018

Chartered Accountants
Statutory Auditor

2nd Floor
9 Portland Street
Manchester
M1 3BE

ME GROUP HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2018

	Notes	Period ended 31 March 2018 £
Turnover	2	5,849,178
Cost of sales		(2,271,992)
Gross profit		3,577,186
Administrative expenses		(2,573,579)
Operating profit		1,003,607
Interest receivable and similar income	5	842
Interest payable and similar expenses	6	(74,870)
Profit before taxation		929,579
Tax on profit		-
Profit for the financial period	14	929,579

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

ME GROUP HOLDINGS LIMITED


GROUP BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£
Fixed assets			
Total intangible assets	7		450,000
Tangible assets	8		96,809
Investments	9		288,880
			<u>835,689</u>
Current assets			
Debtors	11	1,909,515	
Cash at bank and in hand		199,501	
		<u>2,109,016</u>	
Creditors: amounts falling due within one year	12	(1,465,126)	
		<u></u>	
Net current assets			643,890
Total assets less current liabilities			<u>1,479,579</u>
Capital and reserves			
Called up share capital	13		550,000
Profit and loss reserves	14		929,579
			<u></u>
Total equity			<u>1,479,579</u>

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

The financial statements were approved by the board of directors and authorised for issue on 13 June 2018 and are signed on its behalf by:


Mr R S Cooper
Director


Mr J E Coxhead
Director


Mr C A Cornick
Director

ME GROUP HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2018


	Notes	2018 £	£
Fixed assets			
Tangible assets	8		87,185
Investments	9		788,982
			<u>876,167</u>
Current assets			
Debtors	11	634,921	
Creditors: amounts falling due within one year	12	(961,088)	
		<u></u>	
Net current liabilities			(326,167)
Total assets less current liabilities			<u>550,000</u>
Capital and reserves			
Called up share capital	13		<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 profit for the year was £0.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 13 June 2018 and are signed on its behalf by:



Mr R S Cooper
Director

Mr J E Coxhead
Director

Mr C A Cornick
Director



Company Registration No. 10527022

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

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 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.

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 2018. 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.

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 Reporting period

The financial statements are presented for the period from incorporation.

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 cost or value of the asset can be measured reliably.

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
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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.

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.

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

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.

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

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.

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 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.

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.14 Subsidiary undertakings exempt from audit

Under Section 479a of the Companies Act 2006 available to subsidiary undertakings, the company provides a guarantee in respect of the below subsidiary undertakings claiming exemption from audit:

ME Consumer Limited (10548319)
ME Legal and Financial Limited (08328211)
ME LegalTech Limited (10550435)
ME Digital Limited (10552323)
ME Outsourcing Limited (10927019)
Mortgage Audit Reporting Software Limited (09374232)
Housing Assessment Reporting Technology Limited (10632272)

2 Turnover and other revenue

2018

£

Other significant revenue

Interest income

842

3 Auditor's remuneration

2018

£

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the group and company

10,000

For other services

All other non-audit services

40,000

The additional service include:

Consolidation and reconciliation of group management accounts on a monthly basis and migration of cloud software data

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

4 Employees

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

	Group 2018 Number	Company 2018 Number
Total employees	88	-

Their aggregate remuneration comprised:

	Group 2018 £	Company 2018 £
Wages and salaries	874,676	-
Social security costs	66,853	-
	941,529	-

5 Interest receivable and similar income

	2018 £
Other interest receivable and similar income	842

6 Interest payable and similar expenses

	2018 £
Interest payable to group undertakings	-

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

7 Intangible fixed assets

Group	Intellectual property
	£
Cost	
At 15 December 2016	-
Additions	500,000
	<u>500,000</u>
At 31 March 2018	500,000
	<u>500,000</u>
Amortisation and impairment	
At 15 December 2016	-
Amortisation charged for the period	50,000
	<u>50,000</u>
At 31 March 2018	50,000
	<u>50,000</u>
Carrying amount	
At 31 March 2018	450,000
	<u><u>450,000</u></u>

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

8 Tangible fixed assets

Group	Plant and machinery etc
	£
Cost	
At 15 December 2016	-
Additions	137,427
	<u>137,427</u>
At 31 March 2018	137,427
	<u>137,427</u>
Depreciation and impairment	
At 15 December 2016	-
Depreciation charged in the period	40,618
	<u>40,618</u>
At 31 March 2018	40,618
	<u>40,618</u>
Carrying amount	
At 31 March 2018	96,809
	<u><u>96,809</u></u>

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

8 Tangible fixed assets (Continued)

Company	Plant and machinery etc
	£
Cost	
At 15 December 2016	-
Additions	126,106
At 31 March 2018	126,106
Depreciation and impairment	
At 15 December 2016	-
Depreciation charged in the period	38,921
At 31 March 2018	38,921
Carrying amount	
At 31 March 2018	87,185

9 Fixed asset investments

	Group 2018 £	Company 2018 £
Investments	288,880	788,982

10 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
ME Consumer Limited	England and Wales	Holding company	Ordinary	100.00
ME Legal and Financial Limited	England and Wales	Advertising company	Ordinary	- 100.00
ME LegalTech Limited	England and Wales	Holding company	Ordinary	100.00
ME Digital Limited	England and Wales	IT technology consultancy	Ordinary	100.00
ME Outsourcing Limited	England and Wales	Office administrative service activities	Ordinary	100.00
Mortgage Audit Reporting Software Limited	England and Wales	Digital services	Ordinary	100.00
Housing Assessment Reporting Technology Limited	England and Wales	Dormant company	Ordinary	100.00

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

11 Debtors

	Group 2018 £	Company 2018 £
Amounts falling due within one year:		
Trade debtors	1,000,473	-
Amounts owed by group	-	379,642
Other debtors	909,042	255,279
	<u>1,909,515</u>	<u>634,921</u>

12 Creditors: amounts falling due within one year

	Group 2018 £	Company 2018 £
Trade creditors	178,598	127,243
Amounts due to group undertakings	-	833,845
Other taxation and social security	615,859	-
Other creditors	670,669	-
	<u>1,465,126</u>	<u>961,088</u>

13 Share capital

	Group and company 2018 £
Ordinary share capital	
Issued and fully paid	
49,500 Ordinary A of £1 each	49,500
500 Ordinary B of £1 each	500
500,000 Ordinary C of £1 each	500,000
	<u>550,000</u>

Each class of share is non- redeemable with equal rights to voting, dividends and capital distribution on winding up.

During the period, 49,500 Ordinary A shares of £1 each were issued at par.

During the period, 500 Ordinary B shares of £1 each were issued at par.

During the period, 500,000 Ordinary C shares of £1 each were issued at par.

14 Reserves

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

14 Reserves

(Continued)

	Group 2018 £	Company 2018 £
At the beginning of the period	-	-
Profit for the period	929,579	-
At the end of the period	929,579	-

15 Related party transactions

Transactions with related parties

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

	Consultancy fees 2018 £
Group	
Entities with control, joint control or significant influence over the company	570,000

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2018 £
Group	
Entities with control, joint control or significant influence over the group	127,299

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties	2018 Balance £
Group	
Entities with control, joint control or significant influence over the group	4,192

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.

16 Controlling party

There is no ultimate controlling party.

ME GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE PERIOD ENDED 31 MARCH 2018***

17 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.