

WISE INVESTMENTS LTD
Annual Report and Financial Statements
For the financial year ended 31 December 2021



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Contents

Company Information	2
Strategic Report	3
Directors' Report	6
Directors' Responsibilities Statement	8
Independent Auditor's Report	9
Profit and Loss Account	13
Balance Sheet	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

WISE INVESTMENTS LTD

COMPANY INFORMATION

For the financial year ended 31 December 2021

DIRECTORS

A M G Aston

J Payne

A E Rae

H W Yarrow

REGISTERED OFFICE

The Great Barn

Chalford Park Barns

Oxford Road

Chipping Norton

Oxfordshire

OX7 5QR

United Kingdom

COMPANY NUMBER

04970458 (England and Wales)

AUDITOR

Deloitte LLP

Statutory Auditor

Birmingham

United Kingdom

WISE INVESTMENTS LTD
STRATEGIC REPORT
For the financial year ended 31 December 2021

The directors present their Strategic Report for the financial year ended 31 December 2021.

REVIEW OF THE BUSINESS

The principal activities of the Company are that of Independent Wealth Management and Financial Planning Services.

The Company is regulated by the Financial Conduct Authority (FCA).

RESULTS AND PERFORMANCE

The results for the year and financial position of the Company are shown in the annexed financial statements. As the Profit and Loss Account on page 13 the financial statements show turnover has increased to £3,665,595 (2020: £3,186,251) in the year ended 31 December 2021. The Company's profit before taxation for the year was £289,534 (2020: £208,763). Covid-19 brought with it difficult market conditions which impacted the Company's results in 2020, since the pandemic the Company has seen a significant recovery in the markets which has in turn led to an increase in the Company's financial performance as noted in this section. The Company has also seen a continuation of new client referrals which has contributed to this increase in both turnover and profit before taxation.

The Balance Sheet on page 14 of the financial statements shows that the net assets of the Company have increased to £3,567,824 (2020: £2,072,300). This increase is largely due to the transfers from the Oak Investment Partnership as part of the demerger that took place during the year.

KEY PERFORMANCE INDICATORS ('KPIS')

KPI's for the business are assets under management ("AUM"). The AUM has increased from £326m at 1 January 2021 to £367m at 31 December 2021, this increase was driven by a recovery of the markets after the impact of Covid-19. The Company has also seen a continuation of new client referrals which has contributed to this increase in AUM.

FUTURE DEVELOPMENTS

The Company continues to monitor the current economic climate with a view to ensuring the best service can be provided to its clients.

PILLAR 3 DISCLOSURES

Our capital adequacy, known as Pillar 3 Disclosures can be found at: <http://www.wiseinvestment.co.uk>

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to the following financial risk.

MARKET RISK

Although the Company does not have a position in the market as such, a fall in markets and therefore the assets under management would lead to a reduction in income.

WISE INVESTMENTS LTD
STRATEGIC REPORT (continued)
For the financial year ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's activities are subject to regulation which gives rise to a number of risks, including censure by the FCA. In order to mitigate this, the Company has a regime of regulatory compliance, systems and controls.

PUBLIC HEALTH RISK

There is additional market and operational risk due to the current economic and societal impacts following the outbreak of the Covid-19 in the UK and globally in late February and March 2020. The directors expect this to affect the remainder of 2022 and recognise the increase in these risks on the business. Risk to employee health and well being and reputational risk should also be considered.

The mitigants and controls applicable to these risks generally continue to apply in the unique situation of Covid-19 and further with the robust controls of the operation of the Company's Business Continuity Plan, which includes minimisation of employee health risks, greater employee well being monitoring, external and internal fraud controls, increased communications within and out of the Company and increased risk oversight and compliance monitoring.

BUSINESS RISK

Loss of clients will also impact revenue. In order to protect against this risk the Company also communicates with its clients and regularly invests much time and resource in maintaining existing client relationships.

CREDIT AND COUNTERPARTY RISK

The Company has low counterparty risk. Credit risk exposures are the Company's own bank deposits, loans, clients billed but not yet paid, and prepayments and accrued income. The banks the Company uses have good quality credit ratings and these are monitored and it is considered acceptable for the Company to rely on the credit ratings. The Company also considers other sources of information / news that would flag up any potential concerns for institutional exposures.

OPERATIONAL RISK

The Company relies on its staff, its internal systems and controls and also its key information technology systems to deliver its services. If an operational risk event were to occur, this could have an impact on profitability. In order to help monitor and mitigate these risks, an operational risk register is maintained which is used to identify key operational risks, assess the likelihood and impact of each risk, and document mitigating factors and identify action points to further reduce risk. Work is also performed to protect the business against evolving IT related risks such as cyber security. In order to reduce operational risk, policies and procedures are maintained. Staff complete relevant training to ensure they are competent to fulfil their roles. A comprehensive set of insurances is also maintained including Investment Manager's (PI) insurance.

WISE INVESTMENTS LTD
STRATEGIC REPORT (continued)
For the financial year ended 31 December 2021

REGULATORY RISK

The Company is regulated by the Financial Conduct Authority and is therefore subject to its rules, regulations, principles and guidance. Failure to comply could lead to investigation and fines. The Company runs a Compliance department, a compliance manual and a risk-based compliance monitoring programme. The Compliance department oversees the production and submission of regulatory returns. In addition, the Compliance department monitors changes in relevant regulation (e.g. MiFID II, GDPR, SM&CR) to determine the likely impact on business activities. As part of the Internal Capital Adequacy Assessment Process ("ICAAP"), the Company's income levels are stress tested to ensure that the Company has sufficient capital to withstand severe market stress events.

OTHER RISKS

We continue to monitor the risks associated with Brexit, the Covid-19 pandemic and the recent war in Ukraine, we believe that the Company is well placed to deal with these uncertainties by maintaining a strong Balance Sheet and comfortable levels of regulatory capital.

Approved by the Board of Directors and signed on its behalf by:

Alexandra Rae

A E Rae
Director

The Great Barn
Chalford Park Barns
Oxford Road
Chipping Norton
Oxfordshire
OX7 5QR
United Kingdom
Date: 27/04/22

WISE INVESTMENTS LTD
DIRECTORS' REPORT
For the financial year ended 31 December 2021

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the financial year ended 31 December 2021.

The financial risk management objectives and policies and future developments can be found in the Strategic Report and form part of this report by cross-reference.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review was that of Independent Wealth Management and Financial Planning Services.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

A M G Aston	(Appointed 30 June 2021)
J Payne	(Appointed 30 June 2021)
A E Rae	
A C Sullivan	(Resigned 30 June 2021)
H W Yarrow	(Appointed 01 November 2021)

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the financial year and remain in force at the date of this report.

DIVIDENDS

Dividends of £nil were distributed for the year (2020: £25,655) and no further dividends have been proposed post year-end. Further information can be found in note 10 to the financial statements.

WISE INVESTMENTS LTD
DIRECTORS' REPORT (continued)
For the financial year ended 31 December 2021

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

Alexandra Rae

A E Rae
Director

The Great Barn
Chalford Park Barns
Oxford Road
Chipping Norton
Oxfordshire
OX7 5QR
United Kingdom

Date: 27/04/22

WISE INVESTMENTS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 31 December 2021

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WISE INVESTMENTS LTD**

For the financial year ended 31 December 2021

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Wise Investments Ltd (the 'Company'):

- Give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the financial year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- The Profit and Loss Account;
- The Balance Sheet;
- The Statement of Changes in Equity;
- The Statement of Cash Flows; and
- The related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WISE INVESTMENTS LTD (continued)
For the financial year ended 31 December 2021**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WISE INVESTMENTS LTD (continued)
For the financial year ended 31 December 2021**

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- the risk of inaccurate annual management charge fees being recognised due to error in the net asset value ("NAV") schedules: in response to this risk we tested the design and implementation of controls related to the review of the monthly NAV schedules, tested the detailed monthly invoices received from the Fund, and agreed the receipts to the bank statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Financial Conduct Authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WISE INVESTMENTS LTD (continued)
For the financial year ended 31 December 2021**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.



Kieren Cooper FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

Birmingham
United Kingdom

27 April 2022

WISE INVESTMENTS LTD
PROFIT AND LOSS ACCOUNT
For the financial year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	3,665,595	3,186,251
Administrative expenses		(3,380,374)	(3,020,409)
Other operating income	4	3,033	42,141
Operating profit		288,254	207,983
Finance income (net)	5	1,280	780
Profit before taxation	6	289,534	208,763
Tax on profit	10	(56,309)	(39,680)
Profit for the financial year		233,225	169,083

All amounts relate to continuing operations.

There were no items of other comprehensive income or losses for the current or prior year other than those included in the Profit and Loss Account, accordingly no Statement of Comprehensive Income is presented.

WISE INVESTMENTS LTD

BALANCE SHEET

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	2,475	-
Tangible assets	13	102,162	32,963
Investments	14	20,000	20,000
		124,637	52,963
Current assets			
Debtors	15	493,664	465,783
Cash at bank and in hand		4,501,211	1,841,801
		4,994,875	2,307,584
Current liabilities			
Creditors: amounts falling due within one year	16	(1,538,109)	(286,787)
Net current assets		3,456,766	2,020,797
Total assets less current liabilities		3,581,403	2,073,760
Provision for liabilities	17	(13,579)	(1,460)
Net assets		3,567,824	2,072,300
Capital and reserves	18		
Called-up share capital		100	100
Other reserves		2,462,299	1,200,000
Profit and loss account		1,105,425	872,200
Total shareholder's funds		3,567,824	2,072,300

The financial statements of Wise Investments Ltd (registered number: 04970458) were approved and authorised for issue by the Board of Directors on 26/04/22. They were signed on its behalf by:

Alexandra Rae

A E Rae
Director

WISE INVESTMENTS LTD
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

	Called-up share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
At 01 January 2020	100	1,200,000	728,772	1,928,872
Profit for the financial year	-	-	169,083	169,083
Total comprehensive income	-	-	169,083	169,083
Dividends paid on equity shares (note 11)	-	-	(25,655)	(25,655)
At 31 December 2020	100	1,200,000	872,200	2,072,300
At 01 January 2021	100	1,200,000	872,200	2,072,300
Profit for the financial year	-	-	233,225	233,225
Total comprehensive income	-	-	233,225	233,225
Capital contribution	-	1,262,299	-	1,262,299
At 31 December 2021	100	2,462,299	1,105,425	3,567,824

Other reserves includes a capital contribution reserve which was received from the immediate parent company, Wise Investments Employee Ownership Trustee Limited.

WISE INVESTMENTS LTD
STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

	2021	2020
	£	£
Net cash flows from operating activities (note 20)	1,497,752	132,371
Cash flows from investing activities		
Purchase of plant and machinery	(99,302)	(24,139)
Interest received	1,436	1,121
Purchase of intangible assets	(2,619)	-
Dividends paid	-	(25,655)
Net cash flows from investing activities	(100,485)	(48,673)
Cash flows from financing activities		
Interest paid	(156)	(341)
Capital contribution	1,262,299	-
Net cash flows from financing activities	1,262,143	(341)
Net increase in cash and cash equivalents	2,659,410	83,357
Cash and cash equivalents at beginning of year	1,841,801	1,758,444
Cash and cash equivalents at end of year	4,501,211	1,841,801
Reconciliation to cash at bank and in hand:		
Cash at bank and in hand at end of year	4,501,211	1,841,801
Cash and cash equivalents at end of year	4,501,211	1,841,801

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Wise Investments Ltd (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is The Great Barn, Chalford Park Barns, Oxford Road, Chipping Norton, Oxfordshire, OX7 5QR, United Kingdom.

The principal activities are set out in the Directors' Report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

The functional currency of Wise Investments Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of the Business on page 3 which forms part of the Strategic Report.

The Company's forecasts and projections, taking account of potential changes in trading performance, show that the Company is able to operate within the level of its current resources. The Company has continued to be profitable and is cash generative. Further analysis has been completed for the going concern period to consider the effects of the current economic and societal impacts following the outbreak of the Covid-19 in the UK and globally. The Company has produced updated annual projections and performed sensitivity analysis. Cash flow forecasts show that the Company has sufficient available funds for the foreseeable future. The directors, therefore, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months and the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes when the service is delivered.

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the Profit and Loss Account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in the Statement of Comprehensive Income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the Company and the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

Intangible assets

Intangible assets represents website costs acquired by the Company and are stated at cost less accumulated impairment losses. Website costs are included within other intangible assets. Amortisation is expensed to the Profit and Loss Account within administrative expenses on a straight-line basis over the estimated useful economic life of the asset as follows:

Website costs	3 years straight line
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Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any allowance for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	4 years straight line
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Fixtures and fittings	4 years straight line
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Computer equipment	3 years straight line
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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 credited or charged to profit or loss.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

Non-financial assets

At each balance sheet date, the company reviews 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). The recoverable amount of an asset is the higher of its fair value less costs to sell and its 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. 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. 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.

Financial assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either 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.

Basic financial liabilities

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

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

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

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value with changes in fair value recognised through the Profit and Loss Account. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

The directors do not consider that any critical judgements have been made in the application of the Company's accounting policies and no key sources of estimation uncertainty have been identified that have a significant risk of causing a material misstatement to the carrying amount of assets and liabilities within the financial year.

3. Turnover

All turnover relates to the principal activity of the Company and originates in the United Kingdom.

4. Other operating income

	2021	2020
	£	£
Furlough grant income	<u>3,033</u>	<u>42,141</u>

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

5. Finance income (net)

	2021	2020
	£	£
Interest receivable and similar income	1,436	1,121
Interest payable and similar expenses	(156)	(341)
	<u>1,280</u>	<u>780</u>

Interest receivable and similar income

	2021	2020
	£	£
Bank interest	<u>1,436</u>	<u>1,121</u>

Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar expense	<u>(156)</u>	<u>(341)</u>

6. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets (note 13)	29,404	19,203
Amortisation of intangible assets (note 12)	144	-
Foreign exchange losses	438	8

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

7. Auditor's remuneration

An analysis of the auditor's remuneration is as follows:

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,500	5,317
Total audit fees	15,500	5,317
Taxation compliance services	4,750	2,074
Other assurance services	10,500	7,100
Other services	3,500	2,145
Total non-audit fees	18,750	11,319

Other services relate to the preparation of the financial statements.

8. Staff number and costs

	2021	2020
	Number	Number
The average monthly number of employees (including directors) was:		
Management and administration	32	33

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,952,415	1,758,526
Social security costs	185,302	203,222
Other retirement benefit costs (note 19)	81,490	87,543
	2,219,207	2,049,291

9. Directors' remuneration

	2021	2020
	£	£
Emoluments	562,598	348,973
Company contributions to money purchase pension schemes	16,192	14,777
	578,790	363,750
	2021	2020
	Number	Number
Are members of a money purchase pension scheme	4	2

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

Remuneration of the highest paid director

	2021	2020
	£	£
Emoluments	315,599	179,718
Company contributions to money purchase schemes	7,323	7,598
	<u>322,922</u>	<u>187,316</u>

10. Tax on profit

	2021	2020
	£	£
Current tax on profit		
UK corporation tax	44,255	38,133
Adjustments in respect of prior years		
UK corporation tax	(65)	(50)
Total current tax	<u>44,190</u>	<u>38,083</u>
Deferred tax		
Origination and reversal of timing differences	8,860	1,613
Effect of changes in tax rates	3,259	(16)
Total deferred tax	<u>12,119</u>	<u>1,597</u>
Total tax on profit	<u>56,309</u>	<u>39,680</u>

Finance Act 2020 enacted provision to increase the UK Corporation tax rate to 19% from 1 April 2020 and accordingly the deferred tax at 31 December 2020 was calculated at this rate.

Finance Act 2021 which was substantively enacted on 24 May 2021 included provisions to increase the rate further to 25% effective from 1 April 2023. In valuing the deferred tax balances at the year-end a combination of 19% and 25% have been used based on the expected periods of reversals.

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

Tax reconciliation

The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK.

	2021	2020
	£	£
Profit before taxation	289,534	208,763
Tax on profit at standard UK corporation tax rate of 19.00% (2020: 19.00%)	55,011	39,665
Effects of:		
- Expenses not deductible for tax purposes	519	16
- Income not taxable in determining taxable profit	(2,415)	-
- Adjustments in respect of prior years	(65)	(50)
- Effects of changes in tax rates	3,259	(16)
Total tax charge for year	56,309	39,615

11. Dividends on equity shares

	2021	2020
	£	£
Amounts recognised as distributions to equity holders in the financial period:		
Final dividend for the financial year ended 31 December 2021 of £Nil (2020: £256.55) per ordinary share	-	25,655

12. Intangible assets

	Website costs	Total
	£	£
Cost		
At 01 January 2021	24,633	24,633
Additions	2,619	2,619
At 31 December 2021	27,252	27,252
Accumulated amortisation		
At 01 January 2021	24,633	24,633
Charge for the financial year	144	144
At 31 December 2021	24,777	24,777
Net book value		
At 31 December 2021	2,475	2,475
At 31 December 2020	-	-

Amortisation of intangible fixed assets is included in administrative expenses.

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

13. Tangible assets

	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 01 January 2021	3,600	32,549	85,168	121,317
Additions	-	74,649	24,653	99,302
Disposals	(3,600)	(9,171)	-	(12,771)
At 31 December 2021	-	98,027	109,821	207,848
Accumulated depreciation				
At 01 January 2021	3,600	18,922	65,832	88,354
Charge for the financial year	-	12,576	16,828	29,404
Disposals	(3,600)	(8,472)	-	(12,072)
At 31 December 2021	-	23,026	82,660	105,686
Net book value				
At 31 December 2021	-	75,001	27,161	102,162
At 31 December 2020	-	13,627	19,336	32,963

14. Fixed asset investments

	Other investments	Total
	£	£
Carrying value before impairment		
At 01 January 2021	20,000	20,000
At 31 December 2021	20,000	20,000
Provisions for impairment		
At 01 January 2021	-	-
At 31 December 2021	-	-
Carrying value at 31 December 2021	20,000	20,000
Carrying value at 31 December 2020	20,000	20,000

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

15. Debtors

	2021	2020
	£	£
Trade debtors	308,749	349,974
Other debtors	69,903	52,083
Prepayments and accrued income	115,012	63,726
	493,664	465,783

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	77,576	74,201
Amounts owed to Group undertakings (note 21)	-	131
Corporation tax	44,491	38,133
Other taxation and social security	253,701	157,827
Other creditors	900,902	5,103
Accruals	261,439	11,392
	1,538,109	286,787

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Within other creditors above is an amount of £898,767 (2020: £Nil) which payable to a related party.

17. Provision for liabilities

	Deferred taxation	Total
	£	£
At 01 January 2021	1,460	1,460
Charged to the Profit and Loss Account	12,119	12,119
At 31 December 2021	13,579	13,579

Deferred tax

	2021	2020
	£	£
Accelerated capital allowances	15,201	2,887
Other timing differences	(1,622)	(1,427)
Provision for deferred tax	13,579	1,460

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

There is no expiry date on timing differences, unused tax losses or tax credits.

During the year beginning 1 January 2022, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge by £13,579. This is due to the reversal of fixed asset and other short-term timing differences.

18. Called-up share capital and reserves

	2021	2020
	£	£
Allotted, called-up and fully-paid		
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
Presented as follows:		
Called-up share capital presented as equity	<u>100</u>	<u>100</u>

The ordinary shares carry full rights to voting, dividends and return of capital. The shares rank pari passu and are not convertible.

Other reserves includes the capital contribution reserve account which represents a capital contribution from the Company's immediate parent undertaking.

The profit and loss account reserve represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

In March 2021 the "Wise Investments Employee Ownership Trust" was established, to be constituted as an employees' share scheme under Section 166 of the Companies Act 2006. The Trust took ownership of this Company in July 2021.

The main purpose of the Trust is to hold shares in the Group for the benefit of the employees.

The Scheme is a cash settled share based payment scheme where there are 2 key vesting conditions, such that:

- 100% of the shares in "Wise Investments Employee Ownership Trustee", the immediate parent of this entity, are sold; and
- The end of the Trust Period is the shorter of when the Trustees end the Trust period or 125 years.

For an employee to qualify for a distribution they will have required to have been an employee no more than 15 years prior to the end of the Trust Period. As there is currently no intention of either a sale or to end the Trust Period, then no liability has been recorded in these financial statements.

WISE INVESTMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2021

19. Retirement benefit obligations

Defined contribution schemes:

The Company operates a defined contribution scheme open to all qualifying employees. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the amount payable in the year.

During the year pension contributions charged in the Profit and Loss Account amounted to £81,490 (2020: £87,543). At the Balance Sheet date, outstanding contributions amounted to £17,945 (2020: £21,968).

20. Statement of Cash Flows

	2021	2020
	£	£
Operating profit	288,254	207,983
<i>Adjustment for:</i>		
Depreciation and amortisation	29,548	19,203
Loss on sale of plant and equipment	699	-
Operating cash flows before movement in working capital	318,501	227,186
Increase in debtors	(27,881)	(102,049)
Increase in creditors	1,244,964	7,184
Cash generated by operations	1,535,584	132,321
Income taxes (paid)/received	(37,832)	50
Net cash flows from operating activities	1,497,752	132,371

21. Related party transactions

There are no key management personnel other than the directors.

Within other creditors is an amount owed to the related party, at the Balance Sheet date the amount outstanding was £898,767 (2020: £Nil).

WISE INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2021

22. Controlling party

The Oak Investment Partnership Limited (incorporation in England and Wales), with registered office Chalford Park Barns, Oxford Road, Chipping Norton, Oxfordshire, OX7 5QR, was the Company's immediate parent undertaking until 30 July 2021.

The Oak Investment Partnership Employee Ownership Trustee Limited (incorporated in England and Wales), with registered office Chalford Park Barns, Oxford Road, Chipping Norton, Oxfordshire, OX7 5QR, was the Company's ultimate parent undertaking and parent until 30 July 2021.

From 30 July 2021, Wise Investments Employee Ownership Trustee Limited (incorporated in England and Wales), with registered office Chalford Park Barns, Oxford Road, Chipping Norton, Oxfordshire, OX7 5QR, is the immediate and ultimate parent undertaking.

The ultimate controlling party is Wise Investments Employee Ownership Trustee Limited.