

Company Registration No. 05034730 (England and Wales)

MONEYWISE PUBLISHING LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019



MONEYWISE PUBLISHING LIMITED

COMPANY INFORMATION

Directors	B Bicknell
	R Wilson
Company number	05034730
Registered office	201 Deansgate
	Manchester
	M3 3NW

MONEYWISE PUBLISHING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and audited financial statements of Moneywise Publishing Limited (the "Company") for the year ended 31 December 2019. The registered number of the Company is 05034730.

The Director's report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006.

The Directors have also taken advantage of the exemption available to small companies under section 414B of the Companies Act 2006, and consequently no strategic report has been prepared.

The Company belongs to the Interactive Investor Limited group and is a wholly owned subsidiary of Interactive Investor Limited.

Directors

The following directors have held office during the year and to the date of this report:

B Bicknell

R Wilson

Director Indemnity

During the year ended 31 December 2019 and the year ended 31 December 2018, the Company had in force an indemnity provision in favour of one or more directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Principal Activities and review of the business

The principal activity of the Company is to produce digital and print content that shows people how to become better at managing their personal finances and to give them support and ideas to help them make better investment decisions. Products include websites Moneywise.co.uk and Moneyobserver.com and magazines Moneywise and Money Observer (in both print and digital) which also hold awards events recognising financial products. Revenue is generated through the sale of copies and subscriptions for the print and digital magazines and from the sale of advertising and ratings logos to financial service companies.

Results and dividends

The results for the year are set out on page 5.

No interim intercompany dividend has been declared during the year (2018: nil). The Directors do not recommend payment of a final dividend.

MONEYWISE PUBLISHING LIMITED

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

KPI's

The key performance indicators for the Company are the following:

	Year ended 31 Dec 2019	Year ended 31 Dec 2018
Revenue	£1.7m	£2.4m
Profit before tax	£363K	£644K
Moneywise average issues in circulation	8,706	10,966
Moneyobserver average issues in circulation	12,125	16,518
Moneywise Average Monthly website users	498,213	351,240
Moneyobserver Average Monthly website users	125,471	104,167

Future developments

Following a strategic review of the business, the directors have decided to wind down the Company's activities, starting in the third quarter of 2020. The intention is to realise the remaining assets, settle all outstanding liabilities and then proceed with a solvent liquidation.

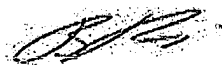
Going Concern

Given the decision to wind down the Company's activities, it is no longer appropriate to prepare the financial statements on a going concern basis. All intangible and tangible fixed assets are already fully amortised/depreciated, so no reclassification to current assets is required. All other assets and liabilities are presented in current assets and current liabilities respectively.

Subsequent events

The only event between 31 December 2019 and the date of this report that requires disclosure in the financial statements of the Company is the directors' decision to wind down the activities of the Company, as detailed above.

The report and financial statements are approved on behalf of the board.



B Bicknell

Director

23 November 2020

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

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 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

MONEYWISE PUBLISHING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Year Ended 31 December 2019	Year Ended 31 December 2018
	Notes	£	£
Revenue	3	1,672,544	2,430,341
Cost of sales		(940,674)	(798,210)
		<hr/>	<hr/>
Gross profit		731,870	1,632,131
Administrative expenses		(369,284)	(988,537)
		<hr/>	<hr/>
Profit before taxation	2	362,586	643,594
Tax on profit	4	(68,891)	-
		<hr/>	<hr/>
Profit for the year attributable to the equity shareholders of the company		293,695	643,594
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 16 form part of these financial statements

The turnover and operating profit for the year arise from the Company's continuing operations and all profit is derived from activities within the United Kingdom. The Company has no recognised gains or losses other than as stated above and therefore no statement of other comprehensive income has been presented.

Given the decision to wind down the business, the results will be disclosed under discontinued operations in the 2020 financial statements.

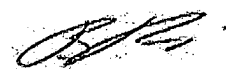
MONEYWISE PUBLISHING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		As at 31 December 2019		As at 31 December 2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5		-		-
Tangible assets	6		-		-
			<u>-</u>		<u>-</u>
Current assets					
Trade and other receivables: amounts falling due within one year	7	272,202		645,131	
Cash and bank balances		2,705,699		1,819,25	
		<u>2,977,901</u>		<u>2,464,38</u>	
Trade and other payables: amounts falling due within one year	8	<u>(571,476)</u>		<u>(351,656)</u>	
Net current assets			2,406,425		2,112,730
Total assets less current liabilities			<u>2,406,425</u>		<u>2,112,730</u>
Net assets			<u>2,406,425</u>		<u>2,112,730</u>
Equity					
Called up share capital	9		1		1
Retained Earnings	10		<u>2,406,424</u>		<u>2,112,729</u>
Shareholder Funds			<u>2,406,425</u>		<u>2,112,730</u>

The financial statements on pages 5 to 16 were prepared under the small companies regime and were approved by the Board and authorised for issue on 23 November 2020 and signed on its behalf by:



B Bicknell, Director

Company Registration No. 05034730

For the year ending 31 December 2019, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities: the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

MONEYWISE PUBLISHING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up Share Capital	Retained Earnings	Total
	£	£	£
Balance as at 01 January 2018	1	1,469,135	1,469,136
Profit for the period	-	643,594	643,594
Balance as at 31 December 2018	1	2,112,729	2,119,730
Balance as at 01 January 2019	1	2,112,729	2,119,730
Profit for the period	-	293,695	293,695
Balance as at 31 December 2019	1	2,406,424	2,406,425

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES

1.1 GENERAL INFORMATION

Moneywise Publishing Limited 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 Registered Office is 201 Deansgate, Manchester M3 3NW.

The principal activity of the company is to produce digital and print content that shows people how to become better at managing their personal finances and to give them support and ideas to help them make better investment decisions. Products include websites Moneywise.co.uk and Moneyobserver.com and magazines Moneywise and Money Observer (in both print and digital) which also hold awards events recognising financial products. Revenue is generated through the sale of copies and subscriptions for the print and digital magazines and from the sale of advertising and ratings logos to financial service companies

1.2 BASIS OF PREPARATION

The financial statements of Moneywise Publishing Limited have been prepared in compliance with the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice, including FRS 101 as it applies to the financial statements for the year ended 31 December 2019.

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding period. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Interactive Investor Limited, and copies of the group financial statements may be obtained from:

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

Interactive Investor Limited
201 Deansgate
Manchester
M3 3NW

The financial statements have been prepared on a historical cost basis. The financial statements are presented in sterling.

1.3 GOING CONCERN

The Company's business activities are set out in the Business Review section of the Directors' Report on pages 2 to 4.

As reported above, the directors have taken the decision to wind down the activities of the Company and consequently it is no longer appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

After reviewing forecasts of reasonably expected profits and cash flows, the directors believe that the Company is able to meet all current and anticipated liabilities as they fall due whilst the wind-down is in progress.

1.4 NEW AND AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

Impact of initial application of IFRS 16 Leases

In the current year, the Company has applied IFRS 16 'Leases' which is effective for an annual period that begins on or after 1 January 2019. After review of the Company's contractual arrangements, it was concluded that no adjustments are required to the financial statements.

1.5 FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts are rounded to the nearest pound.

1.6 REVENUE

Revenue represents amounts receivable, net of VAT and trade discounts, for advertising and magazine publishing.

Advertising revenue is earned in the form of payments dependent on delivery of a required number of advert impressions. Upfront or periodic payments are deferred and recognised as revenue over the period and level of advert impressions to which the contract relates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

1.7 INTANGIBLE FIXED ASSETS AND AMORTISATION

Purchased intangible assets

Externally purchased software is amortised over 3 years on a straight-line basis, based on estimated useful lives of the assets. Intangible assets are stated at cost, net of accumulated amortisation and accumulated impairment losses. Amortisation is charged to administrative expenses within the Income statement

An impairment review is performed when management identify an indication that an asset may be impaired. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment and reversal of impairment is an accounting judgement, and impairment reviews are performed as outlined in the significant accounting judgements section above.

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation and accumulated impairment.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33.33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An impairment review is performed when management identify an indication that an asset may be impaired. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment and reversal of impairment is an accounting judgement, and impairment reviews are performed as outlined in the significant accounting judgements section above.

1.9 TAXATION

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

1.10 INTEREST

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

1.11 FINANCIAL ASSETS

All financial assets are recognised at their cost less expected credit losses. The Company's financial assets include cash and short-term deposits, trade and other receivables. The subsequent measurement of financial assets depends on their classification as follows:

Cash

Cash balances comprise cash on instant access. Cash is recognised at cost less impairment provisions

Financial assets held at amortised cost

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost. The Company does not hold any financial assets that meet the criteria for treatment as fair value through other comprehensive income or fair value through profit or loss. Therefore, all financial assets held by the Company are measured at amortised cost.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on trade receivables and contract assets.

In accordance with IFRS 9, the Group applies the 'simplified approach' in calculating expected credit losses from trade receivables. The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

It was considered that no adjustment was required in relation to the amendment of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

1.12 FINANCIAL LIABILITIES

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2 PROFIT BEFORE TAX

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2018 £
Profit before tax is stated after charging:		
Group management recharge	1,213,851	705,858
Depreciation of tangible assets	-	-
Audit Services - Statutory Audit	-	10,000
	<u> </u>	<u> </u>

All staff employed in the business were contracted to Capital Accumulation Services Limited until 1 June 2018 and then to Interactive Investor Services Limited for the remainder of the year (both are fellow group companies). The Company is recharged a Group management charge, shown in the table above, by other Group companies for the use of these staff when they are working for other Group companies.

The only employees of the Company are the Directors, of whom there were 2 in the year which is also the monthly average number of employees (2018: 2). The Directors were paid by Interactive Investor Services Limited. It is not possible to separately identify the Directors' emoluments pertaining to their services to this Company. No Director received remuneration from this Company and there have been no payments made by the Company into money purchase or defined benefit schemes on behalf of the Directors. The highest paid Director received emoluments of £638,000.

MONEYWISE PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

3 REVENUE

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2018 £
Advertising revenue	704,525	1,082,728
Subscription revenue	225,308	1,019,423
Logo sales	734,688	328,190
Other	8,023	-
	<u>1,672,544</u>	<u>2,430,341</u>

4 TAXATION

	Year ended 31 Dec 2019 £	Year ended 31 Dec 2018 £
Total current tax	68,891	-
Factors affecting the tax charge for the year		
Profit before taxation	362,586	643,594
Profit before taxation multiplied by the effective rate of UK corporation tax of 19% (2018: 19%)	68,891	122,283
Effects of:		
Non-deductible expenses	-	584
Group tax losses received	-	(122,769)
Deferred tax not recognised	-	(98)
	-	(122,283)
Current tax charge	<u>68,891</u>	<u>-</u>

The applicable UK corporation tax rate is 19% for the year (period ended 31 December 2018: 19%), as the Finance Act 2015 changed the rate from 20% to 19% during the previous period.

MONEYWISE PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

The Finance Bill 2016, substantively enacted on 6 September 2016, included legislation reducing the UK corporation tax rate to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK corporation tax rate to 17% will now not occur and the rate will be held at 19%.

5 INTANGIBLE FIXED ASSETS

	Goodwill £	Software £	Total £
Cost			
At 1 January 2019	471,102	2,715	473,817
At 31 December 2019	471,102	2,715	473,817
Amortisation			
At 1 January 2019	471,102	2,715	473,817
Charge for the year	-	-	-
At 31 December 2019	471,102	2,715	473,817
Net book value			
At 31 December 2019	-	-	-
At 31 December 2018	-	-	-

6 TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 January 2019	20,176
At 31 December 2019	20,176
Depreciation	
At 1 January 2019	20,176
Charge for the year	-
At 31 December 2019	20,176
Net book value	
At 31 December 2019	-
At 31 December 2018	-

MONEYWISE PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

7 TRADE AND OTHER RECEIVABLES

	2019	2018
	£	£
Trade Receivables	226,902	556,930
Amounts owed by Group undertakings	1,800	1,800
Prepayments and accrued income	43,500	86,401
	<u>272,202</u>	<u>645,131</u>

As outlined in note 1.11, expected credit losses on trade receivables for amounts due from clients in respect advertising revenue are estimated using a provision matrix by reference to past default experience. As at 31 December 2019, the expected credit loss allowance was assessed as being nil (2018: nil).

8 TRADE AND OTHER PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade Payables	-	-
Other taxes and social security costs	13,713	99,356
Amounts owed to Group undertakings	336,480	95,991
Corporation tax creditor	68,891	-
Accruals and deferred income	152,392	156,309
	<u>571,476</u>	<u>351,656</u>

9 SHARE CAPITAL

	2019	2018
	£	£
Allotted, called up and fully paid		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2019

10 RESERVES

RETAINED EARNINGS

Retained earnings includes all the current and prior period retained profit and losses.

11 RELATED PARTIES

The emoluments of the Company's Directors are paid by Interactive Investor Services Limited. Neither of the Directors received any emoluments in the year in relation to their services to the Company (2018: nil) as their emoluments are deemed to be substantially attributable to their services to Interactive Investor Limited. No staff were contracted to the Company in the current or prior year.

12 EVENTS AFTER THE REPORTING PERIOD

The only event between 31 December 2019 and the date of this report that requires disclosure in the financial statements of the Company is the directors' decision to wind down the activities of the Company, as detailed above.

13 CONTROLLING PARTY

The immediate parent undertaking is Interactive Investor Limited, a company registered in England and Wales.

Moneywise Publishing Limited is included within the UK consolidated accounts of Interactive Investor Limited, the largest and smallest parent company preparing consolidated financial statements. Copies can be obtained from 201 Deansgate, Manchester M3 3NW.

The ultimate controlling party of the Company is JC Flowers IV LP, a Limited Partnership registered in the Cayman Islands.