Company registration number 07853934 (England and Wales)

WEALTHIFY GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

WEALTHIFY GROUP LIMITED

COMPANY INFORMATION

Directors	Ms. M A Pearce-Burke	
	Mr. M Ashford	
	Mr. B M Luckett	
	Mr C M Wood	
	Mr A C Russell	
	Mr. A Bhargava	
	Mrs A M E Kosagowsky	(Appointed 20 October 2022)
Company number	07853934	
Registered office	Tec Marina Terra Nova Way Penarth South Glamorgan United Kingdom CF64 1SA	
Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB	

WEALTHIFY GROUP LIMITED

CONTENTS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Principal Activities

Wealthify Group Limited is a financial services group with permission to provide full discretionary investment management and execution services (FCA no. 662530). Wealthify Group Limited is a fully owned subsidiary of the Aviva Group Holdings ("the Parent Company").

Wealthify Group Limited has a simple mission, which is to make investing accessible to everyone. Wealthify Group Limited have combined financial knowhow and tech expertise to create a platform that makes investing more affordable for those who may not be stock market experts. We make investing simple for people, proving a solution in a way that suits them, with low fees and low minimum investment.

Fair review of the business

In 2022, the business continued to grow with key success in increasing the active customers on the platform. This translated to an increase in revenue of c50% versus the prior year, this is pleasing when considered against a backdrop of a challenging global market. The business has also continued to invest in capability, which has seen the headcount increase by 35 FTE in the year. We have had success in increasing our ability to "get to market" with a material increase in distribution partners that will positively impact the business over the coming years.

Principal risks and uncertainties

The Group's revenue is directly correlated with the level of customer assets held on the platform, so a drop in this metric would be a key risk. By design, Wealthify has a very diversified customer base, which offers protection to revenue and assets under management ("AUM"), should some customers choose to withdraw their AUM. We also look to increase financial education to customers to ensure that they are informed when making any decision about their assets.

Non-compliance with FCA regulations is a key risk for the business as it could lead to a fine or removal of the permission to trade. This is managed through regular review and monitoring of the Group's compliance framework by management and engagement with and periodic reporting to the ultimate parent company.

The business is fully digital, and as such is reliant on its IT systems. The risk of IT failure is mitigated by using up to date cloud infrastructure and significant investment in security technology.

Even as part of the Aviva Group, management retains a strong focus on reviewing the Group's capital and liquidity requirements. This is done through active budget forecasting and monitoring to keep the Wealthify Group shareholders appraised of any future capital needs. As part of this process, the Parent Company has provided additional financing to the group during the year as part of the agreed long term plan.

Key performance indicators

The Group focuses on key performance indicators that allow management to measure the investments made and the economies of scale resulting from previous year's investments. These KPIs are primarily revenue, active customer count, profit/loss and the capital reserves.

The Group showed strong fee growth in 2022, revenue for the year was £2.4m (2021; £1.6m) which is an uplift of c50%. The customer count increased by 51% across the year, which was supported by material investment in marketing.

The loss after tax for the year of £11.0m (2021;£10.6m) was as per the expectation of management and the parent and is aligned with the agreed growth plan.

As of 31 December 2022, the Group had net assets of £2.0m (2021; £1.2m) which is deemed to be healthy when compared with the capital requirements of the business.

This overall performance is in line with expectation and with the strategy to grow materially in the UK market.

On behalf of the board

Mr A C Russell
Director

3 April 2023

WEALTHIFY GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities
The principal activity of the company and group continued to be that of online discretionary investment management services.

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

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

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

Ms. M A Pearce-Burke	
Mr. M Ashford	
Mr. B M Luckett	
Mr C M Wood	
Mr A C Russell	
Ms. C Toner	(Resigned 20 October 2022)
Mr. A Bhargava	
Mrs A M E Kosagowsky	(Appointed 20 October 2022)

Auditor
In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company 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.

On behalf of the board

Mr A C Russell
Director

3 April 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

WEALTHIFY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WEALTHIFY GROUP LIMITED

Opinion

We have audited the financial statements of Wealthify Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

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 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 1.4 of the financial statements, which describes the company's ability to continue as a going concern. The audit report has not been modified in respect of this matter.

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 group's and parent 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.

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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud. we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Craig Yearsley FCCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

4 April 2023

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

WEALTHIFY GROUP LIMITED

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	2,430,734	1,615,707
Cost of sales		(6,131,771)	(4,574,725)
Gross loss		(3,701,037)	(2,959,018)
Administrative expenses		(9,610,228)	(7,541,042)
Operating loss	4	(13,311,265)	(10,500,060)
Interest income	8	143,626	1,860
Finance costs	9	(180,000)	(180,000)
Loss before taxation		(13,347,639)	(10,678,200)
Tax on loss	10	2,302,152	28,768
Loss for the financial year		(11,045,487)	(10,649,432)

Loss for the financial year is all attributable to the owner of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

WEALTHIFY GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Loss for the year	(11,045,487)	(10,649,432)
Other comprehensive income	-	-
Total comprehensive income for the year	(11,045,487)	(10,649,432)

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

WEALTHIFY GROUP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Non-current assets					
Intangible assets	**11**		23,264		96,742
Property, plant and equipment	**12**		133,697		93,627
			156,961		190,369
Current assets					
Trade and other receivables	**14**	631,718		750,368	
Cash and cash equivalents		9,565,641		6,169,112	
		10,197,359		6,919,480	
Current liabilities	**15**	(5,493,536)		(3,872,672)	
Net current assets			4,703,823		3,046,808
Total assets less current liabilities			4,860,784		3,237,177
Non-current liabilities					
Other payables	**16**		(2,843,779)		(2,074,685)
Net assets			2,017,005		1,162,492
Equity					
Called up share capital	**18**		23,950,770		12,050,770
Share premium account			17,061,953		17,061,953
Retained earnings			(38,995,718)		(27,950,231)
Total equity			2,017,005		1,162,492

The financial statements were approved by the board of directors and authorised for issue on 3 April 2023 and are signed on its behalf by:

Mr A C Russell
Director

WEALTHIFY GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Non-current assets					
Investments	**13**		41,383,033		29,483,033
Current assets					
Trade and other receivables	**14**	97		97	
Current liabilities	**15**	(370,407)		(370,407)	
Net current liabilities			(370,310)		(370,310)
Net assets			41,012,723		29,112,723
Equity					
Called up share capital	**18**		23,950,770		12,050,770
Share premium account			17,061,953		17,061,953
Total equity			41,012,723		29,112,723

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £0 (2021 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 3 April 2023 and are signed on its behalf by:

Mr A C Russell
Director

Company Registration No. 07853934

WEALTHIFY GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 January 2021		2,050,770	17,061,953	(17,300,799)	1,811,924
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(10,649,432)	(10,649,432)
Issue of share capital	**18**	10,000,000	-	-	10,000,000
Balance at 31 December 2021		12,050,770	17,061,953	(27,950,231)	1,162,492
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(11,045,487)	(11,045,487)
Issue of share capital	**18**	11,900,000	-	-	11,900,000
Balance at 31 December 2022		23,950,770	17,061,953	(38,995,718)	2,017,005

WEALTHIFY GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Total £
Balance at 1 January 2021		2,050,770	17,061,953	19,112,723
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	-	-
Issue of share capital	**18**	10,000,000	-	10,000,000
Balance at 31 December 2021		12,050,770	17,061,953	29,112,723
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	-	-
Issue of share capital	**18**	11,900,000	-	11,900,000
Balance at 31 December 2022		23,950,770	17,061,953	41,012,723

WEALTHIFY GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash absorbed by operations	**21**		(10,688,561)		(7,942,087)
Interest paid			(180,000)		(180,000)
Income taxes refunded			2,302,152		28,769
Net cash outflow from operating activities			(8,566,409)		(8,093,318)
Investing activities					
Purchase of intangible assets		-		(28,200)	
Purchase of property, plant and equipment		(80,688)		(75,298)	
Interest received		143,626		1,860	
Net cash generated from/(used in) investing activities			62,938		(101,638)
Financing activities					
Proceeds from issue of shares		11,900,000		10,000,000	
Net cash generated from financing activities			11,900,000		10,000,000
Net increase in cash and cash equivalents			3,396,529		1,805,044
Cash and cash equivalents at beginning of year			6,169,112		4,364,068
Cash and cash equivalents at end of year			9,565,641		6,169,112

1 Accounting policies

Company information

Wealthify Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Tec Marina, Terra Nova Way, Penarth, South Glamorgan, United Kingdom, CF64 1SA.

The group consists of Wealthify Group 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 Business combinations

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

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

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Wealthify Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. 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 g roup.

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.

Wealthify Limited has been included in the group financial statements. Accordingly, the group income statement and statement of cash flows include the results and cash flows of Wealthify Limited for the year.

1 Accounting policies **(Continued)**

1.4 Going concern

The group has generated £11.0m of losses and has cash remaining of £9.6m at the year end. With losses continuing to be generated post year end, the group is reliant upon the continued support from its ultimate parent company Aviva Group Holdings. Post year end, additional funding to support the group has been agreed and is provided via a capital injection from its ultimate parent.

At the date of signing the financial statements, updated forecasts and working capital projections have been prepared which account for current trading conditions showing the company having sufficient headroom to meet its liabilities as and when they fall due for a period of 12 months from the date of signing. On this basis, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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 is recognised when professional services are rendered on contracts with customers for management of investment assets. Fees are calculated based on a tiered scale of the market value of assets under management at month-end. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that is probable to be recovered.

1.6 Intangible fixed assets other than goodwill

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

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

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

Software	33.3% Straight line
Development costs	33.3% Straight line

1.7 Property, plant and equipment

Property, plant and equipment 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	25% Straight line
Computer equipment	25% 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 income statement.

1 Accounting policies **(Continued)**

1.8 Non-current 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.

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

1.9 Impairment of non-current assets

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

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

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

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

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

1.10 Cash and cash equivalents

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

1 Accounting policies **(Continued)**

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables 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.

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

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

1 Accounting policies **(Continued)**

Deferred tax

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

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

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

1.16 Leases

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

1.17 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

3 Revenue

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

	2022	2021
	£	£
Revenue analysed by class of business		
Fee Income	2,430,733	1,615,707

	2022	2021
	£	£
Other revenue		
Interest income	143,626	1,860

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	6,595	1,581
Depreciation of owned property, plant and equipment	40,618	29,874
Amortisation of intangible assets	73,478	76,617
Operating lease charges	146,523	187,604

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £6,595 (2021 - £1,581).

5 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	12,750	6,825

6 Employees

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

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Total	90	65	-	-

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	4,179,308	3,974,131	-	-
Social security costs	473,757	329,558	-	-
Pension costs	299,181	76,259	-	-
	4,952,246	4,379,948	-	-

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	278,224	283,647
Company pension contributions to defined contribution schemes	9,818	5,190
	288,042	288,837

The number of directors for whom remuneration is paid for qualifying services amounted to 3 (2021 - 2).

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

8 Interest income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	143,626	1,860

Interest income includes the following:

Interest on financial assets not measured at fair value through profit or loss	143,626	1,860

9 Finance costs

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	180,000	180,000

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(2,302,152)	(28,768)

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

	2022	2021
	£	£
Loss before taxation	(13,347,639)	(10,678,200)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(2,536,051)	(2,028,858)
Tax effect of expenses that are not deductible in determining taxable profit	2,107	36
Unutilised tax losses carried forward	4,262,529	2,033,086
Adjustments in respect of prior years	-	(28,768)
Effect of change in corporation tax rate	(1,724,002)	-
Group relief	(2,302,152)	-
Superdeduction	(4,583)	(4,264)
Taxation credit	(2,302,152)	(28,768)

11 Intangible fixed assets

Group	Software	Development costs	Total
	£	£	£
Cost			
At 1 January 2022 and 31 December 2022	220,436	23,779	244,215
Amortisation and impairment			
At 1 January 2022	123,694	23,779	147,473
Amortisation charged for the year	73,478	-	73,478
At 31 December 2022	197,172	23,779	220,951
Carrying amount			
At 31 December 2022	23,264	-	23,264
At 31 December 2021	96,742	-	96,742

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

12 Property, plant and equipment

Group	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2022	24,320	131,499	155,819
Additions	217	80,471	80,688
At 31 December 2022	24,537	211,970	236,507
Depreciation and impairment			
At 1 January 2022	19,190	43,002	62,192
Depreciation charged in the year	3,041	37,577	40,618
At 31 December 2022	22,231	80,579	102,810
Carrying amount			
At 31 December 2022	2,306	131,391	133,697
At 31 December 2021	5,130	88,497	93,627

The company had no property, plant and equipment at 31 December 2022 or 31 December 2021.

13 Fixed asset investments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Unlisted investments	-	-	41,383,033	29,483,033

Movements in non-current investments

Company	Investments
	£
Cost or valuation	
At 1 January 2022	29,483,033
Additions	11,900,000
At 31 December 2022	41,383,033
Carrying amount	
At 31 December 2022	41,383,033
At 31 December 2021	29,483,033

14 Trade and other receivables

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade receivables	252,778	417,428	-	-
Other receivables	138,225	160,819	97	97
Prepayments and accrued income	240,715	172,121	-	-
	631,718	750,368	97	97

15 Current liabilities

	Group 2022	2021	Company 2022	2021
	£	**£**	**£**	**£**
Trade payables	340,053	368,992	-	-
Amounts owed to group undertakings	-	-	370,407	370,407
Other taxation and social security	136,693	104,327	-	-
Other payables	461	2,462	-	-
Accruals and deferred income	5,016,329	3,396,891	-	-
	5,493,536	3,872,672	370,407	370,407

16 Non-current liabilities

	Group 2022	2021	Company 2022	2021
	£	**£**	**£**	**£**
Subordinate loan	2,254,685	2,074,685	-	-
Accruals and deferred income	589,094	-	-	-
	2,843,779	2,074,685	-	-

The balance within other payables relates to a subordinated loan from the Group's ultimate parent, Aviva Group Holdings Limited. On 22 June 2020, Aviva Group Holdings Limited provided a subordinated loan of £1.8 million to the Company. This loan accrues interest at a fixed rate of 10% per annum with settlement to be paid at maturity in June 2025.

17 Retirement benefit schemes

	2022	2021
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	299,181	76,259

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

18 Share capital

Group and company Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
A Ordinary Shares of 1p each	2,393,084,554	1,203,084,554	23,930,846	12,030,846
B Ordinary Shares of 1p each	1,992,382	1,992,382	19,924	19,924
	2,395,076,936	1,205,076,936	23,950,770	12,050,770

On 19 January 2022, 1,190,000,000 ordinary shares were allotted for £0.01 per share.

19 Operating lease commitments

Lessee

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	157,247	164,812	-	-
Between two and five years	146,416	8,859	-	-
	303,663	173,671	-	-

20 Controlling party

The ultimate controlling party is considered to be Aviva Group Holdings Limited by virtue of its shareholding in Wealthify Group Limited.

21 Cash generated from group operations

	2022	2021
	£	£
Loss for the year after tax	(11,045,487)	(10,649,432)
Adjustments for:		
Taxation credited	(2,302,152)	(28,768)
Finance costs	180,000	180,000
Investment income	(143,626)	(1,860)
Amortisation and impairment of intangible assets	73,478	76,617
Depreciation and impairment of property, plant and equipment	40,617	29,874
Movements in working capital:		
Decrease/(increase) in trade and other receivables	108,040	(389,107)
Increase in trade and other payables	2,400,568	2,840,590
Cash absorbed by operations	(10,688,561)	(7,942,087)

22 Analysis of changes in net funds - group

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	6,169,112	3,396,529	9,565,641