

Company Registration No. 09034828 (England and Wales)

**WEALTHIFY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# WEALTHIFY LIMITED

## CONTENTS

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	Page
Statement of financial position	1
Notes to the financial statements	3 - 11

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# WEALTHIFY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Non-current assets</b>					
Intangible assets	5		96,742		145,159
Property, plant and equipment	6		93,627		48,203
			<u>190,369</u>		<u>193,362</u>
<b>Current assets</b>					
Trade and other receivables	7	1,120,678		674,555	
Cash and cash equivalents		6,169,112		4,364,069	
		<u>7,289,790</u>		<u>5,038,624</u>	
<b>Current liabilities</b>	8	(3,872,672)		(1,155,067)	
<b>Net current assets</b>			<u>3,417,118</u>		<u>3,883,557</u>
<b>Total assets less current liabilities</b>			<u>3,607,487</u>		<u>4,076,919</u>
<b>Non-current liabilities</b>					
Subordinate loan	9		(2,074,685)		(1,894,685)
<b>Net assets</b>			<u><u>1,532,802</u></u>		<u><u>2,182,234</u></u>
<b>Equity</b>					
Called up share capital			12,000,008		2,000,008
Share premium account			17,483,025		17,483,025
Retained earnings			(27,950,231)		(17,300,799)
<b>Total equity</b>			<u><u>1,532,802</u></u>		<u><u>2,182,234</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 18 March 2022 and are signed on its behalf by:

Mr A C Russell  
**Director**

**Company Registration No. 09034828**

# WEALTHIFY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Retained earnings	Total
Notes	£	£	£	£
<b>Balance at 1 January 2020</b>	8	17,483,025	(11,998,354)	5,484,679
<b>Year ended 31 December 2020:</b>				
Loss and total comprehensive income for the year	-	-	(5,302,445)	(5,302,445)
Issue of share capital	2,000,000	-	-	2,000,000
<b>Balance at 31 December 2020</b>	2,000,008	17,483,025	(17,300,799)	2,182,234
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year	-	-	(10,649,432)	(10,649,432)
Issue of share capital	10,000,000	-	-	10,000,000
<b>Balance at 31 December 2021</b>	12,000,008	17,483,025	(27,950,231)	1,532,802

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Wealthify Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tec Marina, Terra Nova Way, Penarth, South Glamorgan, United Kingdom, CF64 1SA.

#### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The company has generated £10.7m of losses and has cash remaining of £6.2m at the year end. With losses continuing to be generated post year end, the company is reliant upon the continued support from its ultimate parent company Aviva Group Holdings. Post year end, additional funding to support Wealthify Limited 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 alongside the impact of Covid-19 and show 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.

#### **1.3 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue 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.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

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

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

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

Software	33.3% Straight Line
Development Costs	33.3% Straight Line

#### 1.6 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, fittings & equipment	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 credited or charged to profit or loss.

#### 1.7 Impairment of non-current assets

At each reporting period end date, the company 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.

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.

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

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

#### 1.8 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.

#### 1.9 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **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 company after deducting all of its liabilities.

##### **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.

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.10 Equity instruments

Equity instruments issued by the company 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 company.

#### 1.11 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the 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 when the company has 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.

#### 1.12 Employee benefits

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

#### 1.13 Retirement benefits

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

#### 1.14 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 leases asset are consumed.



# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.15 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 company'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 Employees

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

	2021 Number	2020 Number
Total	65	42

### 4 Directors' remuneration

	2021 £	2020 £
Remuneration paid to directors	288,837	316,326

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 January 2021	216,015
Additions	28,200
At 31 December 2021	244,215
<b>Amortisation and impairment</b>	
At 1 January 2021	70,856
Amortisation charged for the year	76,617
At 31 December 2021	147,473
<b>Carrying amount</b>	
At 31 December 2021	96,742
At 31 December 2020	145,159

### 6 Property, plant and equipment

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2021	80,521
Additions	75,298
At 31 December 2021	155,819
<b>Depreciation and impairment</b>	
At 1 January 2021	32,318
Depreciation charged in the year	29,874
At 31 December 2021	62,192
<b>Carrying amount</b>	
At 31 December 2021	93,627
At 31 December 2020	48,203

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	417,428	79,597
Amounts owed by group undertakings	370,407	370,407
Other receivables	332,843	224,551
	<u>1,120,678</u>	<u>674,555</u>

### 8 Current liabilities

	2021	2020
	£	£
Trade payables	368,992	143,737
Taxation and social security	104,327	69,176
Other payables	3,399,353	942,154
	<u>3,872,672</u>	<u>1,155,067</u>

### 9 Non-current liabilities

	2021	2020
	£	£
Subordinate loan	<u>2,074,685</u>	<u>1,894,685</u>

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

#### Emphasis of matter

We draw attention to note 1.2 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.

The senior statutory auditor was Craig Yearsley FCCA.

The auditor was Azets Audit Services

# WEALTHIFY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### 11 Operating lease commitments

#### **Lessee**

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

2021	2020
£	£
173,671	155,910
<u><u>173,671</u></u>	<u><u>155,910</u></u>

## WEALTHIFY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12 Related party transactions

##### Transactions with related parties

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

	Sales		Purchases	
	2021	2020	2021	2020
	£	£	£	£
Entities with control, joint control or significant influence over the company	-	28,849	-	93,489
Other related parties	-	-	-	18,789
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

	2021	2020
Amounts due to related parties	£	£
Entities with control, joint control or significant influence over the company	2,074,685	1,894,685
	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

	2021	2020
Amounts due from related parties	£	£
Entities with control, joint control or significant influence over the company	370,407	370,407
	<u>          </u>	<u>          </u>

#### 13 Parent company

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.