AJ Bell Media Limited

Annual Report and Financial Statements

for the year ended 30 September 2022

Company Registration No: 03733852

AJ Bell Media Limited

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AJ Bell Media Limited

Company information

Directors	M T Summersgill P Birch R J Stott E A Carrington K Doran K Goodman M Tagari W F Mackay C B Robinson
Company secretary	C B Robinson
Company number	03733852
Registered office	4 Exchange Quay Salford Quays Manchester M5 3EE
Business address	49 Southwark Bridge Road London SE1 9HH
Principal banker	Bank of Scotland plc The Mound Edinburgh EH1 1YZ
Auditor	BDO LLP 55 Baker Street London W1U 7EU

Directors' report
for the year ended 30 September 2022

The Directors have pleasure in presenting their report along with the financial statements of AJ Bell Media Limited (the "Company") for the year ended 30 September 2022.

Principal activities

The principal activity of the Company is the provision of online financial investment content in both the direct to consumer and business to business markets. In addition, the Company organises a number of annual awards ceremonies and investor events in the financial services sector.

Results and dividends

The profit attributable to the shareholders for the year ended 30 September 2022 was £958,000 (2021: £993,000). A dividend of £2,000,000 was paid during the year (2021: £nil).

Business review
In the year ended 30 September 2022 revenue increased to £2,474,000 (2021: £2,375,000), due to the return of annual Share Awards as a live physical event and an increase in advertising space sold on the website. Operating profit has decreased to £1,209,000 (2021: £1,230,000) partly due to costs of running live physical events.

Outlook
The focus for the forthcoming year will be to continue to provide quality educational investment content and related services to retail investors, as well as increasing the level of services provided to the wider AJ Bell Group and its customers.

Directors of the company
The Directors, who held office during the year, were as follows:

A J Bell (resigned 1 October 2022)

M T Summersgill

P Birch (appointed 1 July 2022)

C W Galbraith (resigned 1 October 2022)

R J Stott

E A Carrington

K Doran

K Goodman

M Tagari

W F Mackay

C B Robinson - Company secretary and director

Directors' report (continued)
for the year ended 30 September 2022

Directors' indemnities

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

Principal risks and uncertainties

The principal activity of the Company is the provision of online financial investment content and the Company acts as a support to the wider Group. The risks are considered on a Group (AJ Bell group of companies) basis but are relevant for the Company. The principal risks and uncertainties facing the Group are detailed below along with potential impacts and mitigating actions.

The Board is committed to a continual process of improvement and embedment of the risk management framework within the Group. This ensures that the business identifies both existing and emerging risks and continues to develop appropriate mitigation strategies.

The Directors believe that there are a number of potential risks to the Group that could hinder the successful implementation of their strategy. These risks may arise from internal and external events, acts and omissions. The Directors are proactive in identifying, assessing and managing all risks facing the business including the likelihood of each risk materialising in the short or longer term.

Risk	Potential impact	Mitigations
1. Strategic risk		
Competitor or market risk The risk that the Group fails to remain competitive in its peer group, due to lack of innovative products and services, increased competitor activity, regulatory expectations, and lack of marketing focus and spend to keep pace with competitors.	• Loss of competitive advantage, such that customer number targets are adversely impacted. This would have a negative impact on profitability. • Reputational damage as a result of underperformance and/or regulatory scrutiny.	The Group regularly reviews its products against competitors, in relation to pricing, functionality and service, and actively seeks to make enhancements where necessary to maintain or improve its competitive position in line with the Group's strategic objectives. The Group remains closely aligned with trade and industry bodies, and other policy makers across our market. The use of ongoing competitor analysis provides insight and an opportunity to adapt strategic direction in response to market conditions.

Directors' report (continued)
for the year ended 30 September 2022

Principal risks and uncertainties (continued)

2. Operational risk		
Regulatory, compliance and legal risk The risk that the Group fails to comply with regulatory and legal standards.	• Regulatory censure and/or fines, including fines from the ICO. • Related negative publicity could reduce customer confidence and affect ability to generate new inflows. • Poor conduct could have a negative impact on customer outcomes, impacting the Group's ability to achieve strategic objectives.	The Group maintains a strong compliance culture geared towards positive customer outcomes and regulatory compliance. The Group performs regular horizon scanning to ensure all regulatory change is detected and highlighted to the Group for consideration. The Compliance function is responsible for ensuring all standards of the regulatory system are being met by the Group. This is achieved by implementing policies and procedures across the business, raising awareness and developing an effective control environment through providing comprehensive training. Where appropriate, the Compliance Monitoring Team conducts reviews to ensure a high standard of compliance has been embedded into the business.
Information security and data risk The risk of a vulnerability in the Group's infrastructure being exploited or user misuse that causes harm to service, data and/or an asset causing material business impact. Data risk is defined as the risk of the Group failing to effectively govern, manage and control its data (including data processed by third-party suppliers).	• Related negative publicity could damage customer and market confidence in the business, affecting our ability to attract and retain customers. • Information security breaches could adversely impact individuals' data rights and freedoms and could result in fines/censure from regulators, such as the ICO.	The Group continually reviews its cyber security position to ensure that it protects the confidentiality, integrity and availability of its network and the data that it holds. A defence in depth approach is in place with firewalls, web gateway, email gateway and anti-virus amongst the technologies deployed. Staff awareness is seen as being a key component of the layered defences, with regular updates, training and mock phishing exercises. Our security readiness is subject to independent assessment by a penetration testing partner that considers both production systems and development activities. This is supplemented by running a programme of weekly vulnerability scans to identify configuration

Directors' report (continued)
for the year ended 30 September 2022

Principal risks and uncertainties (continued)

<table>
<tr><td></td><td></td><td>issues and assess the effectiveness of the software patching schedule.

The Group regularly assesses its maturity against an acknowledged security framework, which includes an ongoing programme of staff training and assessment through mock security exercises.

The Group monitors the adequacy of its data governance framework via the Data Steering Group.</td></tr>
<tr><td>Fraud and financial crime risk

The risk of failure to protect the Group and its customers from all aspects of fraud and financial crime (anti-money laundering and counter terrorist financing, market abuse, fraud, cyber-crime and the facilitation of tax evasion).</td><td>• The Group may be adversely affected, including regulatory censure or enforcement, if we fail to mitigate the risk of being used to facilitate any form of financial crime. This includes money laundering and counter terrorist financing, market abuse, fraud, cyber-crime and the facilitation of tax evasion.
• Potential customer detriment as customers are at risk of losing funds or personal data, which can subject them to further loss via other organisations.
• Fraudulent activity leading to identity fraud and/or loss of customer holdings to fraudulent activity.</td><td>Extensive controls are in place to minimise the risk of financial crime. Policies and procedures include: mandatory financial crime training in anti-money laundering and counter terrorist financing, fraud, market abuse and the Criminal Finances Act for all employees to aid the detection, prevention and reporting of financial crime. The Group has an extensive recruitment process in place to screen potential employees.

The Group actively maintains defences against a broad range of likely attacks by global actors, bringing together tools from well-known providers, external consultancy and internal expertise to create multiple layers of defence. The latter includes intelligence shared through participation in regulatory, industry and national cyber security networks.</td></tr>
<tr><td>Third-party IT failure risk

The risk that a third-party provider materially fails to deliver the contracted services.</td><td>• Loss of service from a third-party technology provider could have a negative impact on customer outcomes due to website unavailability, delays in receiving and/or processing customer transactions or interruptions to settlement and reconciliation processes.</td><td>To mitigate the risk posed by third-party software suppliers, the Group conducts onboarding due diligence and monitors performance against documented service standards to ensure their continued commitment to service, financial stability and viability. Performance metrics are discussed monthly with documented actions for any identified improvements.</td></tr>
</table>

Directors' report (continued)
for the year ended 30 September 2022

Principal risks and uncertainties (continued)

	• Financial impact through increased operational losses. • Regulatory fine and/or censure.	This is supplemented by attendance at formal user groups with other clients of the key suppliers, sharing experience and leveraging the strength of the user base. Where relevant and appropriate, annual financial due diligence on critical IT suppliers and on-site audits are also undertaken.
IT system performance, capacity and resilience risk The risk that the design, implementation and management of applications, infrastructure and services fail to meet current and future business requirements.	• The reliance on evolving technology remains crucial to the Group's effort to develop its services and enhance products. • Prolonged underinvestment in technology will affect our ability to serve our customers and meet their needs. • Failing to deliver and manage a fit-for-purpose technology platform could have an adverse impact on customer outcomes and affect our ability to attract new customers. • IT failures may lead to financial or regulatory penalties, and reputational damage.	The Group continues to implement a programme of increasing annual investment in the technology platform. This is informed by recommendations that result from regular architectural reviews of applications and of the underpinning infrastructure and services. Daily monitoring routines provide oversight of performance and capacity. Our rolling programme of both business continuity planning and testing, and single point of failure management, maintains our focus on the resilience of key systems in the event of an interruption to service.
Operational resilience risk The risk that the Group does not have an adequate operational resilience framework to prevent, adapt to, respond to, recover from and learn from operational disruptions.	• Failure to maintain or quickly recover operations could lead to intolerable harm to customers and the Group. • Operational resilience disruptions may lead to financial or regulatory penalties, and reputational damage.	The Group has developed a comprehensive operational resilience framework, under the direction of the Operational Resilience Forum, a sub-committee of the Operational Committee.
Financial control environment risk The risk that the financial control environment is weak. This includes the risk of loss to the business, or its customers, because of either the actions of an	• Reputational damage with regulators, leading to increased capital requirement. • Potential customer detriment resulting from inadequate protection of customer assets. • Increased expenditure in order to compensate	The Group's financial control and fraud prevention policies and procedures are designed to ensure that the risk of fraudulent access to customer or corporate accounts is minimised. Anti-fraud training is provided to all members of staff who act as first line of defence to facilitate early

Directors' report (continued)
for the year ended 30 September 2022

Principal risks and uncertainties (continued)

associated third-party or the misconduct of an employee.	customers for losses incurred.	detection of potentially fraudulent activity. Strong technology controls are in place to identify potential money laundering activity or market abuse.
Retail conflicts / conduct risk The risk that the fair treatment of customers is not central to the Group's corporate culture.	• Poor conduct could have a negative effect on customer outcomes. • Reputational damage resulting from poor levels of customer service. • Additional regulatory scrutiny and financial loss.	The Group's customer focus is founded on our guiding principles, which drive the culture of the business and ensure customers remain at the heart of everything we do. Training on the importance and awareness of the delivery of good customer outcomes is provided to all staff on a regular basis. The Group continues to focus on enhancements to its risk management framework, in relation to the identification, monitoring and mitigation of risks of poor customer outcomes, and to its product management process to reduce the potential for customer detriment. All developments are assessed for potential poor customer outcomes, and mitigating actions are delivered alongside the developments as appropriate.
ESG risk The risk that environmental, social and governance factors could negatively impact the Group, its customers, investors and the wider community	• Environmental, physical and transition risks resulting from climate change, which may impact the Group and our customers' assets. • Social risks, including employee wellbeing and diversity and inclusion. • Governance risks, including the risks related to the Group's governance structures being ineffective, which could manifest in governance-related reputational and conduct risks.	The Group has established an ESG Working Group to manage all ESG-related matters, including people and social-related matters, as well as the Group's Task Force for Climate-related Financial Disclosures (TCFD). ESG-related strategic objectives are incorporated in the Group's BPP process. The Group is committed to creating an inclusive workplace and prioritising employee wellbeing, to establish an environment where all employees feel valued and supported. The Group has reviewed and strengthened its governance framework during FY22, with a refreshed governance framework.

Principal risks and uncertainties (continued)

People risk The risk that the Group fails to attract, retain, develop and motivate employees who are aligned to the Group's Guiding Principles.	• Difficulties in recruiting the right people to work for the Group. • Existing employees who aren't motivated, don't perform well and may leave the Group. • Talented employees who are not appropriately developed and / or have limited opportunities to progress are likely to leave the Group.	The Group has improved its recruitment processes to attract the best people possible to join the Group. The Group undertakes a staff engagement survey at least annually and uses this feedback to address any areas for improvement to ensure staff engagement remains high. The Group conducts regular reviews of its employee benefits package to ensure it is competitive. The Group operates a talent development programme.
3. Financial risk		
Counterparty credit risk The risk of potential failure of clients, market counterparties or banks used by the Group to fulfil contractual obligations.	• Unintended market exposure. • Customer detriment. • Increased future capital requirements.	The Group's credit risk extends principally to its financial assets, cash balances held with banks and trade and other receivables. The Group carries out initial and ongoing due diligence on the market counterparties and banks that it uses, and regularly monitors the level of exposure. The Group continues to diversify across a range of approved banking counterparties, reducing the concentration of credit risk as exposure is spread over a larger number of counterparties. The banks currently used by the Group are detailed in note 25 to the consolidated financial statements. With regard to trade receivables, the Group has implemented procedures that require appropriate credit or alternative checks on potential customers before business is undertaken. This has minimised credit risk in this area. The Group will maintain its existing strategy of diversification to ensure acceptable exposure across a wide

Directors' report (continued)
for the year ended 30 September 2022

Principal risks and uncertainties (continued)

		range of well-capitalised banks with appropriate credit ratings. It will continue to regularly monitor its level of exposure and to assess the financial strength of its banking counterparties.
Liquidity risk The risk that the Group suffers significant settlement default or otherwise suffers major liquidity problems or issues of liquidity deficiency which severely impact on the Group's reputation in the markets. The risk that the Group does not have available readily-realisable financial resources to enable it to meet its obligations as they fall due or can only secure such resources at excessive cost.	• Reputational damage. • Potential customer detriment. • Financial loss. • Unable to meet obligations as they fall due.	The Group has robust systems and controls and monitors all legal entities to ensure they have sufficient funds to meet their liabilities as they fall due. The Group continues to be a highly cash-generative business and maintains sufficient cash alongside standby banking facilities to fund its foreseeable trading requirements.

Disabled employees

The Company welcomes applications from people with disabilities and makes reasonable adjustments to the recruitment and selection process for those who are interested in working for the Company. In the event of employees becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate facilities and training are arranged. It is the policy of the Company that the training, career development and promotion of disabled persons must, as far as possible, be the same as that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and internal publications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests via AJ Bell's Employee Voice Forum.

Going concern

The financial statements have been prepared on a going concern basis. After making enquiries and considering the Company's financial position, its business model, strategy and financial forecasts together with its principal risks and uncertainties, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing the report. The going concern basis of preparation is discussed within note 2.4 of the financial statements.

Post balance sheet events

There have been no events occurring between the reporting date and the date of approval of these financial statements as disclosed in note 15.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this Directors' report and financial statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- the Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Strategic report

The Company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 from the requirement to prepare a Strategic report on the basis that it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

By order of the Board of Directors on 12 December 2022 and signed on its behalf by:

C B Robinson

C B Robinson (Company Secretary and Director)
for and on behalf of AJ Bell Media Limited
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Statement of Directors' responsibilities in respect of the Directors' report and financial statements

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS 101, 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 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.

AJ Bell Media Limited

Independent Auditor's Report to the Members of AJ Bell Media Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its profit 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.

We have audited the financial statements of AJ Bell Media Limited ("the Company") for the year ended 30 September 2022 which comprise Income Statement, Statement of Financial Position and Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

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

Independent Auditor's Report to the Members of AJ Bell Media Limited (continued)

Other information (continued)

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.

Other Companies Act 2006 reporting

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the Directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AJ Bell Media Limited

Independent Auditor's Report to the Members of AJ Bell Media Limited (continued)

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.

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

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

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and Those Charged With Governance relating to the existence of any fraud, contingent liabilities and non-compliance with laws and regulations;
- review of minutes of board meetings and other committee meetings throughout the period until the date of our audit report for discussions around potential irregularities throughout the period and for instances of non-compliance with laws and regulations and fraud; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We considered which areas of the financial statements might be most susceptible to fraud and irregularities and identified the following areas:

- Management override of controls
- Revenue recognition

In respect of the risk of management override of internal controls, we have tested journals and evaluated whether there was evidence of bias from the directors that represented a risk of material misstatement due to fraud.

In addressing the risk of existence and accuracy of revenue, we performed detailed testing such as agreement of client records to client order requests and tracing to bank statement receipts.

The engagement team was deemed to collectively have the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

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.

DocuSigned by:
Neil Fung-On
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Neil Fung-On (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
12 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AJ Bell Media Limited

Income statement
for the year ended 30 September 2022

	Note	2022 £ 000	2021 £ 000
Revenue	4	2,474	2,375
Administrative expenses		(1,265)	(1,145)
Operating profit		**1,209**	1,230
Profit before tax	5	**1,209**	1,230
Tax expense	8	(251)	(237)
Profit for the financial year		**958**	993

All revenue, profit and earnings are in respect of continuing operations.

There were no other components of recognised income or expense in either period and consequently no statement of other comprehensive income has been presented.

AJ Bell Media Limited

Statement of financial position
as at 30 September 2022

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Deferred tax assets	8	6	9
Current assets			
Trade and other receivables	9	403	639
Current tax asset		-	35
Cash and cash equivalents	10	2,249	3,060
		2,652	3,734
Total assets		**2,658**	3,743
Current Liabilities			
Trade and other payables	11	(455)	(558)
Current tax liabilities		(21)	-
		(476)	(558)
Net current assets		**2,176**	3,176
Net assets		**2,182**	3,185
Equity			
Share capital	12	1,021	1,021
Retained earnings		1,161	2,164
Total equity		**2,182**	3,185

These financial statements were approved by the Board and authorised for issue on 12 December 2022 and signed on its behalf by:

....
P Birch (Director)

AJ Bell Media Limited

Statement of changes in equity
for the year ended 30 September 2022

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 October 2021	1,021	2,164	3,185
Total comprehensive income for the year:			
Profit for the year	-	958	958
Transactions with owners, recorded directly in equity:			
Dividends	-	(2,000)	(2,000)
Capital contribution for share-based payment transactions	-	39	39
Balance at 30 September 2022	**1,021**	**1,161**	**2,182**

The notes on pages 21 to 32 form an integral part of these financial statements.

AJ Bell Media Limited

Statement of changes in equity (continued)
for the year ended 30 September 2022

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 October 2020	1,021	1,145	2,166
Total comprehensive income for the year:			
Profit for the year	-	993	993
Transactions with owners, recorded directly in equity:			
Capital contribution for share-based payment transactions	-	26	26
Balance at 30 September 2021	1,021	2,164	3,185

The notes on pages 21 to 32 form an integral part of these financial statements.

1 General information

AJ Bell Media Limited ("the Company") provides online financial investment content in both the direct to consumer and business to business markets.

The company is a private company limited by share capital and is incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered England and Wales. The Company's number is 03733852 and its registered office is 4 Exchange Quay, Salford Quays, Manchester, M5 3EE.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting

The financial statements are prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements are presented in sterling, which is the currency of the primary economic environment in which the Company operates, rounded to the nearest thousand.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements in accordance with international accounting standards in conformity with the Companies Act 2006 ("IFRS") and the applicable legal requirements of the Companies Act 2006. The Company has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

2.2 Disclosure exemptions

The Company is included in the consolidated financial statements of AJ Bell plc, a company incorporated in the United Kingdom, whose consolidated financial statements are publicly available. Consequently, the Company has, in compliance with FRS101, taken advantage of the following disclosure exemptions:

- IAS 7 Presentation of a cash flow statement;
- IAS 8 Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 Disclosure of key management personnel compensation and the disclosure of transactions with group companies;
- IAS16 and IAS 38 Comparative information in respect of the reconciliation of net carrying value;

2 Significant accounting policies (continued)

- IFRS 7 Disclosure in respect of financial instruments, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;

- IFRS 13 Fair Value Measurement paragraphs 91 to 99, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated; and

- IFRS 2 Share-Based Payment paragraphs 45 and 46 to 52 provided that equivalent disclosures are included within the consolidated financial statements of the group for which the entity is consolidated.

2.3 Developments in reporting standards and interpretations

The following accounting standards, amendments and interpretations became effective during the year but have not had a material impact on the Company and so have not been discussed in detail in the notes to the financial statements:

		Effective for periods commencing
IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendments)	1 January 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021(Amendment)	1 April 2021

2.4 Going concern

The Company's forecasts and objectives, considering a number of potential changes in trading conditions, show that the Company should be able to operate at adequate levels of both liquidity and capital for at least 12 months from the date of signing this report. The Directors have performed a number of stress tests, on capital and liquidity and these provide assurance that the Company has sufficient capital and liquidity to operate under stressed conditions.

Consequently, after making reasonable enquiries, the Directors are satisfied that the Company has sufficient resources to continue in business for at least 12 months from the date of signing the report and therefore have continued to adopt the going concern basis in preparing the financial statements.

2 Significant accounting policies (continued)

2.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer.

Recurring:

Recurring fixed revenue comprises media income as described below:

- Advertising revenue relating to a magazine is recognised in the period the publication is available to customers;

- Subscription revenue is recognised in the income statement over the life of the subscription;

- Events and award ceremony revenue, including associated sponsorship and advertising revenue, is recognised in the period in which the event or award ceremony takes place;

- Website advertising revenue is recognised over the life of the associated online advert; and

- Corporate solutions revenue from business-to-business contracts is recognised over the life of the associated contract.

2.6 Share based payments

The grant by the Parent Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in capital contribution by the Parent Company.

The total employee expense is recognised on a straight-line basis over the vesting period, based on management's estimate of shares that will eventually vest. At the end of each reporting period, the Parent Company revises its estimates of the number of share options expected to vest based on the non-market vesting conditions. It recognises any revision to original estimates in the income statement, with a corresponding adjustment to equity reserves. Where a grant of equity-settled share-based payments is not subject to vesting conditions, the fair value determined at the grant date is expensed immediately.

Fair value is measured using the Black-Scholes option pricing model. The expected life applied in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

2 Significant accounting policies (continued)

2.7 Taxation

The tax expense represents the sum of the current tax payable and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised if the temporary difference arises from:

• the initial recognition of goodwill; or

• investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future; or

• the initial recognition of an asset and liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that taxable profits will be available in the future, against which deductible temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at each reporting date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.8 VAT

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable in whole or in part from the taxation authority.

Where the sales tax is not recoverable in whole or in part from the taxation authority, it is expensed through the income statement, except in the case of a capital asset where the irrecoverable proportion is capitalised as part of the capital cost of that asset.

2 Significant accounting policies (continued)

2.9 Financial Instruments

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

Financial assets

Financial assets are classified according to the business model within which the asset is held and the contractual cash-flow characteristics of the asset. All financial assets are classified at amortised cost.

Financial assets at amortised cost

The Company's financial assets at amortised cost comprise trade receivables, other receivables, intercompany receivables and cash and cash equivalents.

Financial assets at amortised cost are initially recognised at fair value including any directly attributable costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment. No interest income is recognised on financial assets measured at amortised cost, with the exception of cash and cash equivalents, as all financial assets at amortised cost are short-term receivables and the recognition of interest would be immaterial. Financial assets are derecognised when the contractual right to the cash flows from the asset expire.

Trade and other receivables

Trade and other receivables are initially recorded at the fair value of the amount receivable and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less. Where appropriate, bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and number of days past due. The Company considers a trade receivable to be in default when it is past due by more than 90 days.

2 Significant accounting policies (continued)

2.9 Financial Instruments (continued)

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 September 2022 and the corresponding historical credit losses experienced within this period.

The carrying amount of the financial assets is reduced by the use of a provision. When a trade receivable is considered uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the provision. Changes in the carrying amount of the provision are recognised in the income statement.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Other financial liabilities

The Company's other financial liabilities comprise trade and other payables. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently carried at amortised cost using the effective interest rate method. A financial liability is derecognised when, and only when, the Company's obligations are discharged, cancelled or they expire.

Trade and other payables

Trade payables consist of amounts payable to clients and other counterparies and obligations to pay suppliers for goods and services in the ordinary course of business. Trade and other payables are measured at amortised cost using the effective interest method.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions to determine the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on the Company's historical experience and other relevant factors. Actual results may differ from the estimates applied.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no assumptions made about the future or any other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Revenue

The total revenue of the Company for the year has been derived from its principal activities undertaken in the United Kingdom, being the provision of online financial investment content.

5 Profit before tax

Profit before taxation is stated after charging:

	Note	2022 £ 000	2021 £ 000
Auditor's remuneration - fees for the audit of the company		13	8
Staff costs	6	656	699

Fees paid to the Company's auditor, BDO LLP, and its group companies for services other than the audit related fees of the company are not disclosed in AJ Bell Media Limited's accounts since the consolidated accounts for AJ Bell Media Limited's parent, AJ Bell plc, are required to disclose non-audit fees on a consolidated basis.

6 Staff costs

	2022 No.	2021 No.
Average number of staff	1,095	989
Company full-time equivalent staff	8	9

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	504	554
Social security costs	65	67
Retirement benefit costs	47	52
Termination benefits	1	-
Share-based payments	39	26
	656	699

6 Staff costs (continued)

All employees within the AJ Bell Group are employed jointly by all Group companies. For ease of administration, all employees are paid by AJ Bell Business Solutions Limited on behalf of the Company or companies benefiting from the services supplied by each employee.

Contained within the disclosure are the following:

i) Average number of staff - this is the average number of staff employed in the AJ Bell Group during the 12 months ended 30 September 2022; and

ii) Company full-time equivalent staff - this is the average full-time equivalent number of staff charged to the Company during the 12 months ended 30 September 2022.

The staff costs paid monthly by AJ Bell Business Solutions Limited on behalf of the Company are treated as amounts owed to group undertakings and are settled in the month following that to which the payment relates.

7 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2022 £ 000	2021 £ 000
Emoluments other than pension costs (excluding NI)	39	33
Retirement benefit costs	2	1
	41	34

Common directorships are held by certain directors across the Group. The costs of these Directors are recharged to other companies within the Group so as to fairly reflect the time spent by the Director on that Company's affairs. It is assumed that this reflects the fair value that the Company derives from receiving the services of that Director.

8 Taxation

Tax charged in the income statement

	2022 £ 000	2021 £ 000
Current taxation		
UK Corporation tax	248	238
Adjustment to current tax in respect of prior periods	-	(8)
	248	230
Deferred taxation		
Origination and reversal of temporary differences	3	1
Effect from changes in tax rates	-	(2)
Adjustments to deferred tax in respect of prior periods	-	8
	3	7
Total tax expense	251	237

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2021 - higher than the standard rate of corporation tax in the UK of 19%).

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £ 000	2021 £ 000
Profit before tax	1,209	1,230
UK Corporation tax at 19% (2021: 19%)	230	234
Expenses not deductible for tax purposes	21	5
Effect of rate changes for deferred tax	-	(2)
	251	237

8 Taxation (continued)

The Company is part of a larger group and group tax loss relief is available. Where such losses are utilised in other group companies, consideration is paid by the receiving company equivalent to the tax benefit it receives.

It is expected that the ongoing effective tax rate will remain at a rate approximating to the standard UK corporation tax rate in the medium term, except for the impact of deferred tax arising from the timing of exercising of share options which is not under our control.

Following the enactment of Finance Act 2021 the standard UK corporation tax rate will remain at 19% before increasing to 25% from 1 April 2023. Accordingly, the Company's taxable profits for this accounting year are taxed at 19% (2021: 19%).

Deferred tax asset

	2022 £ 000	2021 £ 000
Opening balance	9	16
Charge to income statement	(3)	(7)
Closing balance	6	9

Deferred tax has been recognised at either 19% or 25% being the rate expected to be in force at the time of reversal of the temporary difference (2021: 19% or 25%).

The Company has recognised a deferred tax asset of £6,000 (2021: £9,000) in respect of other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

9 Trade and other receivables

Due within one year:	2022 £ 000	2021 £ 000
Trade receivables	318	513
Amounts owed by Group undertakings	27	6
Prepayments	50	85
Accrued income	8	35
	403	639

The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

Trade receivables are stated after provisions for impairment of £nil (2021: £nil).

No contract assets have been recognised in the year (2021: £nil).

10 Cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash and cash equivalents	2,249	3,060

All cash held at bank at 30 September 2022 and 30 September 2021 has a maturity date of less than one month.

11 Trade and other payables

	2022 £ 000	2021 £ 000
Due within one year:		
Trade payables	-	31
Amounts due to group undertakings	84	83
Other taxes and social security	59	81
Accruals	44	45
Deferred income	268	318
	455	558

Trade payables, accruals and deferred income principally comprise amounts outstanding for trade purposes and ongoing costs. The Directors consider that the carrying amount of trade payables and amounts due to group undertakings approximates their fair value.

Deferred income in the current and prior year relate to contract liabilities. The prior year deferred income balance has now all been recognised as revenue and the current year balance all relates to cash received in the current period.

12 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	**£**	**No.**	**£**
Ordinary shares of £1 each	1,021,021	1,021,021	1,021,021	1,021,021

13 Related party transactions

Details of Directors remuneration are disclosed in note 7. There were no other transactions between Directors or members of their close family and the Company during the year.

14 Ultimate parent company and parent undertaking of larger group

The Company is a wholly owned subsidiary undertaking of AJ Bell plc which is the immediate and ultimate Parent Company.

The largest group in which the results of the Company are consolidated is that headed by AJ Bell plc, incorporated in the United Kingdom. No other consolidated financial statements include the results of the Company. The consolidated financial statements of AJ Bell plc are available to the public and may be obtained from 4 Exchange Quay, Salford Quays, Manchester, M5 3EE or www.ajbell.co.uk.

15 Post balance sheet events

There have been no material events occurring between the reporting date and the date of approval of these financial statements.