

Registered number: 06016828
Financial services register number: 463566

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



MORNINGSTAR WEALTH ADMINISTRATION LIMITED

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MORNINGSTAR WEALTH ADMINISTRATION LIMITED

COMPANY INFORMATION

Directors

C Divito
B Lester
M Sanderson

Secretary

LDC Nominee Secretary Limited

Registered number

06016828

Financial services register number

463566

Registered office

1, 55-71
Oliver's Yard
City Road
London
England
EC1Y 1HQ

Independent auditors

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their Strategic report for Morningstar Wealth Administration Limited (the "Company") for the year ended 31 December 2024.

Business review

As shown in the statement of profit & loss, the Company's profit for the year after taxation is £938,371 (2023: £518,053).

The Statement of financial position shows that the Company's financial position at the year-end consists of net assets of £5,480,939 (2023: £4,542,568) including cash at bank and in hand of £5,082,382 (2023: £2,534,307).

During the year, the Company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements. We continue to grow funds under management on the Morningstar Wealth Platform by increasing adoption within our current user base and attracting new advice firms.

Throughout 2024 we continued the development of our platform releasing several updates and product developments to enhance the user experience. We increased awareness of our proposition through a coordinated marketing campaign that included both third party and in house events complemented by webinars, newsletters and Linked In campaigns. We invested significantly in the recruitment of personnel at various levels to maintain service levels as we expand.

Future developments

We are continuing to develop our relationships with leading investment managers and continue to increase brand awareness through the UK financial adviser market.

Key performance indicators

	2024	2023	Change	Change
	£'000	£'000	£'000	%
Revenue	10,652	7,040	3,612	51
Operating expenses	(9,249)	(6,800)	(2,449)	36
Operating profit excluding other income	1,403	240	1,163	484

The table above shows revenues and costs growing at disproportionate rates. The increase in revenue and costs relates to the interest earned on client money and paid to customers during the year.

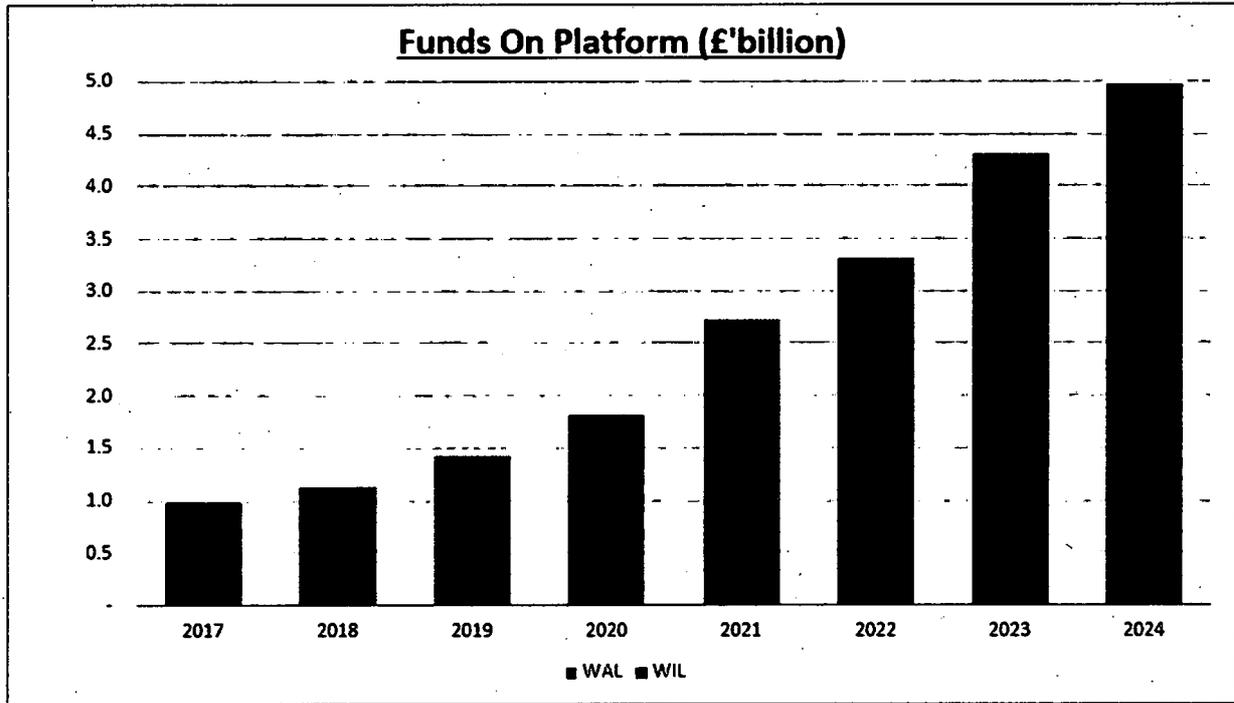
MORNINGSTAR WEALTH ADMINISTRATION LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Key performance indicators (continued)

- Increase in Platform Asset Under Management (AUM) of 16% from 31 December 2023 to 31 December 2024



The table above reflects the AUM of both the onshore and offshore platforms, offshore managed by Morningstar Wealth International Limited. As multiple activities are shared between the entities, viewing both holistically demonstrates a clearer image of overall performance of the platform proposition.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial risk

The Company is exposed to risks that arise from the use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and performs its obligations through the Risk and Regulatory Change Committee that is charged with risk oversight, management and internal control. The objective of the Risk and Regulatory Change Committee is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company monitors this risk by reviewing projected cash flow requirements and ensuring that the group maintains sufficient working capital to ensure that requirements are met on a day-to-day basis. The Company's trade receivable risk arises from the group trade receivable with Morningstar Wealth (UK) Limited which in turn is reliant on Morningstar, Inc., the ultimate parent company in the United States.

Market risk arises from the Company's use of financial instruments, including interest bearing deposits. The Company manages this risk by reviewing its arrangements with depositors to ensure it attains the best available rate. The Company has limited exposure to foreign exchange risks, being incurred solely through its operations in Dubai which are denominated in AED. Competition risk is a continuing risk to the Company, which could result in it losing business to its competitors. The Company manages this risk through continuous development of its innovative services and products in line with market and regulatory requirements.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and below, how the Board engages with stakeholders.

- The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and participation by Board members at management meetings.
- The Company participates directly with staff volunteering to assist with the facilitation of the event.
- In pursuit of greater engagement with its employees, the Company performs quarterly surveys of staff satisfaction and other metrics and used that data to propose changes to the working environment.
- To ensure we work responsibly with our stakeholders, including our suppliers and customers, the Board regularly reviews its suite of internal policies, including conflicts of interest and whistleblowing.
- The Board ensures that all staff complete a suite of mandatory annual training, including anti-bribery and whistleblowing modules.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Section 172(1) statement (continued)

The key Board decisions made in the year are set out below:

Significant Events/Decisions	Key s172 Matter(s) Affected	Actions and Impact
Potential restructure of the regulatory business	Employees, Customers, Suppliers	Engaging with internal stakeholders and external advisors on how to restructure the business to ensure efficiency due to similar product offerings in the Morningstar UK Wealth Business. This will not affect employees and any changes will be communicated to customers and suppliers ahead of time. This will reduce the cost of compliance and capital.

The Strategic Report was approved on behalf of the board

Signed by:

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M Sanderson
Director

Date: 29 May 2025

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the audited financial statements of Morningstar Wealth Administration Limited ("the Company") for the year ended 31 December 2024.

Principal activities

Morningstar Wealth Administration Limited is authorised by the Financial Conduct Authority. It administers the Discretionary Platform Service (DPS). DPS provides advisers and wealth managers with an online platform on which they can provide end-to-end discretionary investment management solutions for their clients. Through these services, investors gain access to low cost transparent investment portfolios offering them a more enriched investment experience than they otherwise would receive. The Company also provides sales and customer support to other entities within the Morningstar group through its Dubai branch.

Results and dividends

The profit after tax of the Company for the year ended 31 December 2024 amounted to £938,371 (2023: loss of £518,053).

No interim dividend was paid during the year and final dividends are not recommended for payment (2023: £Nil).

The Company recorded a prior year adjustment in the year ended 31 December 2023 resulting in a full provision of £599,800 against the carrying value of its investment in the Wensley Mackay book of business which was deemed to be carried at above its recoverable amount at that time; previously this was categorised as an investment in subsidiary.

During the year, the Company sold its interest in the Wensley Mackay book of business, resulting in a loss on disposal of £80,047.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

C Divito

B Lester (appointed 11 January 2024)

M Sanderson

D Smith (appointed 9 January 2024 and resigned 13 November 2024)

Indemnification of officers

Morningstar, Inc., the parent company for the group, must, under its bylaws have, subject to certain exceptions, indemnified each of its directors within the group to the extent permitted by law against liability that did not arise out of a lack of good faith.

Going concern

The principal activity of the Company is to offer an extensive line of products and services for investors the group headed by Morningstar, Inc., the ultimate parent company. The Company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Going concern (continued)

The Company meets its day to day working capital requirements from Bank balances. The financial statements of the Company have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company relies on the support of Morningstar, Inc., the (ultimate parent company) incorporated in the United States, for its working capital requirements and in order to meet its obligations as they fall due. The directors have received written confirmation from the parent confirming that it will continue to provide support to the Company for existing and future debts and ongoing working capital requirements for at least 12 months from the date of approval of financial statements.

Morningstar, Inc. has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so and therefore that can be concluded that financial statements are prepared on a going concern basis.

Events after the balance sheet date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Political donations and expenditure

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Director's report is approved has confirmed that:

- As far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that he/she 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.

Independent auditors

The auditors, KPMG LLP, were appointed during the year and will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

Signed in accordance with a resolution of the Board of directors:

Signed by:

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M Sanderson
Director

Date: 29 May 2025.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE
DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORNINGSTAR WEALTH ADMINISTRATION LIMITED

Opinion

We have audited the financial statements of Morningstar Wealth Administration Limited ("the Company") for the year ended 31 December 2024 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORNINGSTAR WEALTH ADMINISTRATION LIMITED (continued)

Fraud and breaches of laws and regulations - ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue transactions are non-complex, nor do they require management's judgement in determining the contractual transaction price and performance obligations.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, journals posted by irregular users, journal entries posted to the accounts that are not frequently used, journal entry with incomplete description, Journals containing key words, Journals posted to unusual accounts combinations and post-close journal entries.
- Evaluated the business purpose of significant unusual transactions

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, distributable profits legislation, taxation legislation, and the regulatory

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORNINGSTAR WEALTH ADMINISTRATION LIMITED (continued)

requirements of the Financial Conduct Authority and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Fraud and breaches of laws and regulations - ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, employment law and certain aspects of company legislation recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORNINGSTAR WEALTH ADMINISTRATION LIMITED (continued)

Matters on which we are required to report by exception (continued)

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Signed by:

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Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 29 May 2025

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	*As restated 2023
	Note	£	£
Turnover	4	10,652,222	7,039,969
Operating expenses	5	(9,248,806)	(6,799,655)
Other income		92,209	23,124
Operating profit		1,495,625	263,438
Impairment of investments	9	(85,558)	(773,408)
Loss on sale of investments		(80,047)	–
Interest expense	7	(16,871)	(5,698)
Profit/(loss) before tax		1,313,149	(515,668)
Taxation on profit/(loss) on ordinary activities	8	(374,778)	(2,385)
Profit/(loss) after tax		938,371	(518,053)

There were no recognised gains and losses for the current year and preceding year other than those included in the statement of profit & loss, and accordingly, no statement of other comprehensive income is presented.

The notes on pages 17 to 38 form part of these financial statements.

*Comparative amounts have been restated (note 2.14).

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

Registered number: 06016828

	Note	2024 £	*As restated 2023 £
Fixed assets			
Investments in subsidiaries	9	1,192,511	1,281,092
Tangible assets	10	826,265	473,161
		2,018,776	1,754,253
Current assets			
Debtors: amounts falling due within one year	11	3,394,307	1,707,665
Cash at bank and in hand	12	5,082,382	2,534,307
		8,476,689	4,241,972
Creditors: amounts falling due within one year	13	(4,708,927)	(1,088,429)
Total assets less current liabilities		5,786,538	4,907,796
Creditors: amounts falling due after more than one year	14	(280,267)	(362,843)
Deferred tax liability	15	(25,332)	(2,385)
Net assets		5,480,939	4,542,568
Capital and reserves			
Called up share capital	16	2,150,000	2,150,000
Retained earnings	17	3,330,939	2,392,568
Shareholders' funds		5,480,939	4,542,568

The financial statements were approved by the Board of directors and authorised for issue on 29 May 2025.

Signed by:

 M Sanderson
 Director

The notes on pages 17 to 38 form part of these financial statements.

*Comparative amounts have been restated (note 2.14).

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £	Retained earnings £	Total £
Balance as at 1 January 2024 (as previously stated*)	2,150,000	2,992,368	5,142,368
Prior year adjustment	–	(599,800)	(599,800)
Balance as at 1 January 2024 (as restated*)	2,150,000	2,392,568	4,542,568
Profit for the financial year	–	938,371	938,371
Balance as at 31 December 2024	2,150,000	3,330,939	5,480,939

	Called up share capital £	Retained earnings £	Total £
Balance as at 1 January 2023	2,150,000	2,910,621	5,060,621
Loss for the financial year (as restated*)	–	(518,053)	(518,053)
Balance as at 31 December 2023 (as restated*)	2,150,000	2,392,568	4,542,568

The notes on pages 17 to 38 form part of these financial statements.

*Comparative amounts have been restated (note 2.14).

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 General information

The financial statements of Morningstar Wealth Administration Limited for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 29 May 2025.

Morningstar Wealth Administration Limited (the "Company") is a private company limited by shares incorporated and domiciled in England and Wales and is a wholly owned subsidiary of Morningstar Wealth Portfolio Services Limited. The address of its registered office and principal place of business are disclosed on page 1.

The Company is authorised by the Financial Conduct Authority. It administers the Discretionary Platform Service (DPS).

2 Statement of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101"), and the Companies Act 2006. The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

These financial statements are presented in pounds sterling and rounded to the nearest pound (£).

Under FRS 101 (Revised) Reduced Disclosures the Company has taken advantage of the following exemptions:

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1: "Presentation of Financial Statements"; and
 - ii. paragraph 73(e) of IAS 16: "Property, Plant and Equipment".
- the requirements of paragraphs 10(d), 16, 38A, 38B-D, 111 and 134-136 of IAS 1: "Presentation of Financial Statements";
- the requirements of IAS 7: "Statement of Cash Flows";
- the requirements of paragraph 17 and 18A of IAS 24: "Related Party Disclosures";
- the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group; and
- the requirements of IFRS 7: "Financial Instruments: Disclosures".
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.2 Going Concern

The principal activity of the Company is to offer an extensive line of products and services for investors the group headed by Morningstar, Inc., the ultimate parent company. The Company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

The Company meets its day to day working capital requirements from Bank balances. The financial statements of the Company have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company relies on the support of Morningstar, Inc., the (ultimate parent company) incorporated in the United States, for its working capital requirements and in order to meet its obligations as they fall due. The directors have received written confirmation from the parent confirming that it will continue to provide support to the Company for existing and future debts and ongoing working capital requirements for at least 12 months from the date of approval of financial statements.

Morningstar, Inc. has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so and therefore that can be concluded that financial statements are prepared on a going concern basis.

2.3 New standards and interpretations not yet adopted

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Amendments to IAS 1, Classification of liabilities as current or non-current and non-current liabilities with covenants;
- Amendments to IFRS 16 Lease liability in sale and leaseback;
- Amendments to IAS 7 and IFRS 17 Supplier finance arrangements.
- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.4 Consolidation

The financial statements contain information about Morningstar Wealth Administration Limited as an individual company and do not contain consolidated financial statements of any group of companies. The Company has taken advantage of the exemptions available under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent Morningstar, Inc., a company incorporated in the United States. The consolidated accounts are available to the public and may be obtained from their website www.Morningstar.com.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company, via its branch in Dubai, also conducts transactions in AED, but converts each transaction to GBP as it is recorded. Balances denominated in AED are retranslated at the FX rate prevailing at the relevant month end or year end date. As such, the financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account.

2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when performance obligations have been satisfied, and for the Company, this is when the services have been transferred to the customer and the customer has control of these. The Company's activities are described in detail below. When revenue is received but services have not been rendered at the balance date the receipt is recorded in the Statement of financial position as unearned or deferred income.

Interest income is recognised on a proportional basis using the accrual basis in relation to the outstanding financial asset.

All revenue is stated net of the amount of value added tax (VAT), returns, trade allowances and other duties and taxes paid.

The Company provides platform administration services for investments held within the Morningstar custodial platform. Revenue is determined monthly in arrears based on the value of investor portfolios and the revenue is recognised in the accounting period in which the services are rendered. This method depicts the transfer of services to the customer because the entire benefit has been transferred to the customer in the accounting period.

The Company, as part of the platform administration offering, also conducts trading on clients' behalf, and charges brokerage fees based on those activities. This revenue is accounted for at the point of transaction.

The Company also, through its branch in Dubai, offers support services to other entities within the Morningstar Wealth Platform group and charges those entities quarterly in arrears for those services. This is done by conducting an annual assessment of each staff member's time and allocating that time, and the associated expense, across the group as needed. These intercompany recharges are netted off against the expense borne by the Company.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.6 Revenue recognition (continued)

An assessment of the Company's revenue streams was made and it was determined that the Company did not operate as an Agent at any point in the financial year.

2.7 Interest payable and similar expenses

Interest payable is charged to profit or loss over the term of the debt using the accrual method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Income tax

Current taxation is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis at the average tax rates expected to apply in the periods which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except:

1. where the amount of the VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
2. for receivables and payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.10 Tangible fixed assets

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(i) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses. Plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. Costs include an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

The carrying amount of plant and equipment is reviewed annually by director for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised in the Statement of profit & loss and other comprehensive income. To ensure that costs are not recognised in the Statement of financial position in excess of their recoverable amounts, the recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and subsequent disposals discounted to their net present value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of comprehensive income during the financial period in which they are incurred.

(ii) Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate	Method
Furniture, fixtures and fittings	10-20%	Straight-line
Computer equipment	20%	Straight-line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement profit & loss and other comprehensive income.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.11 Leases

The Company's treatment of leases, accounted for under IFRS 16, is detailed below.

The purpose of the accounting standard IFRS 16 Leases is to remove the distinction between 'Operating Leases' and 'Finance Leases'. This requires all lease obligations, barring leases of a duration of 12 months or less, to be reflected on the balance sheets of companies, rather than them being declared solely in the notes to the financial statements. The impact of that on the Company is felt through its effect on the treatment of rental leases entered into by the Company below.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease terms, with the discount rate determined by reference to the incremental borrowing rate, described below.

Existing property leases for the Company:

Premises	Commencement Date	Termination Date	Annual Rent	Annual Rent (GBP Paid)
CP05 – Innovation Hub West, Dubai, United Arab Emirates	1/10/2023	30/09/2028	AED 416,281	£16,172.00

Incremental Borrowing Rate ('IBR')

As the Interest Rate Implicit in the Lease ('IRIL') cannot be readily determined for any of the above leases, the Company has assessed the IBR.

The IBR is comprised of three elements:

- Reference Rate - the currency of the lease, the economic environment the lease takes place within, and the term of the lease;
- Financing Spread Adjustment - the term of the lease, the debt and creditworthiness of the lessee, and the economic environment the lease takes place within; and
- Lease Specific Adjustment - the type of asset, including how secure it is deemed to be.

To assess the lease, the following methodology was used:

- Reference Rate - the Weighted Average Lease Term ('WART') was calculated, using the actual payment schedule for the lease and comparing it to a monthly interest-paying government bond. The resulting ratio, tending to approximately 50%, was applied to the length of the lease to provide a government bond duration which would provide an applicable risk-free rate.
- Lease Specific Adjustment - as the leased asset is property, it can be considered highly secure and thus to not have a significant influence over the IBR. HSBC has included in their calculation the reliance on Morningstar, Inc. as guarantor, acting as security.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.11 Leases (continued)

As the items being leased is a factor in HSBC's determination of the proposed borrowing rate, and due to the inclusion of Morningstar Inc. as the guarantor, the lease specific adjustment has been determined to be zero for each lease.

Management has assessed the rate used for the Company and believe that it accurately reflects the relative circumstances of the lease.

Lease incentive

Lease incentives, which include a one month rent free period, are deducted from both the right-of-use asset and lease liability at the commencement date.

Lease component

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease Subsequent Measurement

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

2.12 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. For assets where such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that the revaluation reserve relates to that asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised 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 in prior periods. A reversal of an impairment loss is recognised as income in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal is recognised as a revaluation increase.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.13 Financial instruments

Financial instruments are recognised on the Company's Statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

(a) Cash at bank and in hand

Cash at bank and cash in hand comprise of cash on hand and is subject to an insignificant risk of changes in value.

(b) Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis and debts which are known to be uncollectible are written off. Trade receivables are generally due for settlement within 30 days. To assess for impairment of trade receivables and contract assets under IFRS 15, the Company applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(c) Fair value

The net fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the balance sheet and notes to the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and can be based on both readily available market prices or the best determination of a market price available to management at that time.

The Company measures its investments in a property fund according to IFRS 13, described in more detail in Note 3 below.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Statement of significant accounting policies (continued)

2.13 Financial instruments (continued)

(ii) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. The Company's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument.

Trade payables are initially measured at fair value and are subsequently measured at amortised cost. These amounts are unsecured and are usually paid within 45 days of recognition.

2.14 Prior year restatement

The Company recorded a prior year adjustment in the year ended 31 December 2023 resulting in a full provision of £599,800 against the carrying value of its investment in the Wensley Mackay book of business which was deemed to be carried at above its recoverable amount at that time; previously this was categorised as an investment in subsidiary.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2.14 Prior year restatement (continued)

a) Balance Sheet

31 December 2023	As previously reported	Adjustments	As restated
Fixed assets			
Investments in subsidiaries	1,880,892	(599,800)	1,281,092
Tangible assets	473,161		473,161
	2,354,053	(599,800)	1,754,253
Current assets			
Debtors: amounts falling due within one year	1,707,665		1,707,665
Cash at bank and in hand	2,534,307		2,534,307
	4,241,972		4,241,972
Creditors: amounts falling due within one year	(1,088,429)		(1,088,429)
Total assets less current liabilities	5,507,596	(599,800)	4,907,796
Creditors: amounts falling due after more than one year	(362,843)		(362,843)
Deferred tax liability	(2,385)		(2,385)
Net assets	5,142,368	(599,800)	4,542,568
Capital and reserves			
Called up share capital	2,150,000		2,150,000
Revaluation reserve	-		-
Retained earnings	2,992,368	(599,800)	2,392,568
Shareholders' funds	5,142,368	(599,800)	4,542,568

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2.14 Prior year restatement (continued)

b) Statement of profit and loss and other comprehensive income

31 December 2023	As previously reported	Adjustments	As restated
	£		
Turnover	7,039,969		7,039,969
Operating expenses	(6,799,655)		(6,799,655)
Other income	23,124		23,124
Operating profit	263,438		263,438
Impairment of investments	(173,608)	(599,800)	(773,408)
Interest expense	(5,698)		(5,698)
Profit/(loss) before tax	84,132	(599,800)	(515,668)
Taxation on profit/(loss) on ordinary activities	(2,385)		(2,385)
Profit/(loss) after tax	81,747	(599,800)	(518,053)

3 Financial risk management

The Company is exposed to risks that arise from the use of its financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade receivables;
- Cash at bank and on deposit;
- Trade and other payables; and
- Intercompany receivables.

General objectives, policies and risk management

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and performs its obligations through the Risk and Regulatory Change Committee that is charged with risk oversight, management and internal control. The objective of the

MORNINGSTAR WEALTH ADMINISTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Financial risk management (continued)

General objectives, policies and risk management (continued)

Risk and Regulatory Change Committee is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Credit risk

Credit risk arises from the Company's trade receivables, other receivables, receivables from subsidiaries and cash at bank. The maximum amount of credit risk is the statement of financial position carrying values. The amount of credit risk exposure is £3,394,307.

Trade receivables

Trade receivables comprise amounts due from counterparties that have settled in full in every instance previously, and the Company has no current reason to believe these circumstances will change. The assessment made under IFRS 9, given the historic rate of recoverability being 100%, was that no expected loss was required.

Intercompany receivables

Intercompany receivables comprise amounts due from other entities within the Morningstar group. These receivables have not been assessed as requiring any provision.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least three months.

At balance sheet date, these reports indicate that the Company is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. There have been no changes from previous periods.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Financial risk management (continued)

Liquidity risk (continued)

As at 31 December 2024, financial liabilities have contractual maturities, which are summarised below:

2024	Current	Non-current	
	1 to 12 months	1 to 5 years	Later than 5 years
	£	£	£
Financial liabilities at amortised cost			
Trade creditors	725,806	–	–
Accrued expenses	976,256	–	–
Other payables	36,828	–	–
Amounts due to group undertakings	2,881,204	–	–
Lease liabilities	101,881	294,401	–
Total	4,721,975	294,401	–

2023	Current	Non-current	
	1 to 12 months	1 to 5 years	Later than 5 years
	£	£	£
Financial liabilities at amortised cost			
Trade creditors	44,286	–	–
Accrued expenses	879,058	–	–
Other payables	84,156	–	–
Lease liabilities	97,836	391,343	–
Total	1,105,336	391,343	–

The contractual amounts of financial liabilities in the tables above are equal to the undiscounted cash flows associated with them. Differences from the statement of financial position amounts reflect the exclusion of statutory charges from the definition of financial liabilities. The discounted lease payables are found on Note 13.

Market risk

Market risk arises from the Company's use of financial instruments. It is the risk that the fair value or future cash flows of the financial instruments will fluctuate as a result of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Company does not currently invest any of its cash balances in interest bearing accounts and therefore does not have any exposure to interest rate risk.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Financial risk management (continued)

Currency risk

The Company holds AED for the operations of the Dubai branch, and uses those funds to settle commitments in AED. The Company does have ongoing obligations in AED, such as the lease payments described in Note 2.11. As the Dubai branch is denominated in AED and revalued each year into GBP, it is vulnerable to changes in exchange rates. Foreign currency assets and liabilities are monitored closely to minimise its exposure to foreign currency risk.

4 Turnover

	2024	2023
	£	£
Sales of services	9,055,540	5,401,211
Client recoveries	184,607	181,772
Intercompany Recharges	1,412,075	1,456,986
	10,652,222	7,039,969

Sales of services represents operator fees for custody and execution services provided in support of the discretionary service, as well as brokerage charged directly to clients. Client recoveries represent brokerage fees paid for by clients, which is charged at the point of transaction.

Revenue is determined monthly in arrears based on the value of investor portfolios and the revenue is recognised in the accounting period in which the services are rendered. This method depicts the transfer of services to the customer because the entire benefit has been transferred to the customer in the accounting period. All are stated net of VAT and accounted for on an accrual's basis.

5 Operating expenses

	2024	2023
	£	£
Bank charges, custody, trading & settlement fees	160,680	159,543
Auditors' remuneration	62,500	74,580
Non audit fees	193,600	63,000
Taxation Services	15,400	8,020
Loss on sale of tangible assets	2,141	-
Depreciation charge for tangible assets (note 10)	233,230	75,443
Foreign exchange gains	(14,625)	(56,914)
Salaries and wages	2,040,500	2,037,183
Pension costs	90,325	77,323

Morningstar Wealth Administration Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

6 Employees and directors

Employees

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

	2024 Number	2023 Number
By activity:		
Management and administration	17	18

Directors

The directors' emoluments were as follows:

	2024 £	2023 £
Emoluments		
Aggregate emoluments	468,581	425,584
Total emoluments of the highest paid director (including amounts receivable under long term incentive schemes)	251,143	390,584
Pension Contributions		
Aggregate contributions made by the Company during the year to directors' defined contribution pension schemes	20,562	19,068
Contributions made by the Company during the year to defined contribution pension schemes in respect of the highest paid director	11,735	19,068

7 Interest expense

	2024 £	2023 £
Interest on lease liability	16,871	5,698

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 Taxation

Analysis of tax charge for the year

	2024	2023
	£	£
<i>Current tax</i>		
UK corporation tax charge on profit/(loss) for the year	351,831	–
	351,831	–
<i>Deferred tax</i>		
Current year	22,947	(676)
Impact of changes in tax rate	–	(42)
Adjustments in respect of prior periods	–	3,103
Deferred tax charge	22,947	2,385
Tax on profit/(loss) on ordinary activities	374,778	2,385

Reconciliation of tax charge

	2024	2023
	£	£
Profit/(loss) on ordinary activities before tax	1,313,149	(515,668)
Tax on profit/(loss) on ordinary activities at standard CT rate of 25% (2023: 23.52%)	328,287	(121,292)
<i>Effects of:</i>		
Expenses not deductible for taxation purposes	65,851	182,225
Group relief claimed	(19,360)	(61,609)
Adjustments in respect of prior years	–	3,103
Impact of changes in tax rate	–	(42)
Income tax attributable to entity	374,778	2,385

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). There has been no change to corporation tax rates for the financial year ended 31 December 2024. For the financial year ended 31 December 2024 the weighted average tax rate is 25% (31 December 2023 weighted average tax rate was 23.52%).

OECD Pillar Two model rules

Morningstar Wealth Administration Limited is within the scope of the OECD Pillar Two model rules. Pillar Two legislation (including a qualifying domestic minimum top-up tax) has been enacted in the UK, the jurisdiction in which the entity is incorporated, and is effective in 2024.

The company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

For 2024, the Company has not recorded a liability for Pillar Two Taxes.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Investments in subsidiaries

	Investments in subsidiaries
	£
Cost	
At 1 January 2024	2,054,500
Foreign exchange	(3,023)
Disposal	(599,800)
At 31 December 2024	1,451,677
Accumulated impairment	
At 1 January 2024 (as previously stated*)	173,608
Prior year adjustment	599,800
At 1 January 2024 (as restated*)	773,408
Charge for the year	85,558
Disposal	(599,800)
At 31 December 2024	259,166
Net book value	
At 31 December 2024	1,192,511
At 31 December 2023 (as previously stated*)	1,880,892
At 31 December 2023 (as restated*)	1,281,092

*Comparative amounts have been restated (note 2.14).

During the current year, the Company sold its interest in the Wensley Mackay book of business, resulting in a loss on disposal of £80,047.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Investments in subsidiaries (continued)

Subsidiary undertaking

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Smartfund Nominees Ltd	England and Wales	Ordinary	100%
Smart Investment Management Limited	England and Wales	Ordinary	100%
Morningstar Wealth Retirement Services Limited	England and Wales	Ordinary	100%
Morningstar Wealth Trustee Limited	England and Wales	Ordinary	100%
Morningstar Wealth Retirement Trustees Limited	England and Wales	Ordinary	100%
Morningstar Wealth EMA Trustees Limited	England and Wales	Ordinary	100%

On 30 November 2023, Morningstar Wealth Administration Limited invested in 500,000 ordinary shares of £1 each in Smart Investment Management Limited.

Shares in subsidiaries are recorded using the historical cost method. There are 1,454,700 (2023: 1,454,700) fully paid ordinary shares each with a par value of £1. The subsidiaries are domiciled in the United Kingdom.

The recoverable amounts of the investment in subsidiaries have been calculated based on the Cash Generating Unit's value in use. It was determined by discounting the future cash flows expected to be generated. The calculation of the value in use was based on the following key assumptions:

Cash flow assumptions

- Management has estimated, based on past experience and expectations of future changes in the market, the revenue growth, net margin and the level of working capital required to support future operations;
- Cash flows are projected based on past experience, actual operating results and a 5-year projection from 2024 (2023: 5-year projections); and
- The forecast period is based on the entity's long-term perspective with respect to the operation of Morningstar Wealth Retirement Services Limited and reflects the significant growth in projected cash flows following the successful launch of the PRA SIPP product. The Company has multiple investments, however most are immaterial except for the investment in Smart Investment Management Limited and Morningstar Wealth Retirement Services Limited.

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Investments in subsidiaries (continued)

Growth and Discount Rates

	2024	2023
Projected terminal growth rate	6.55 %	2.25 %
Term used to forecast cash flows (in years)	5	5
Discount rate calculated using capital asset pricing model (CAPM)	9.38 %	10.19 %

The Company has considered the impact on the above key assumptions used and has conducted sensitivity analysis on the impairment test of the CGU's carrying value.

There was an impairment to the carrying value of the investment in Smart Investment Management Limited. The total charge for the current year is £85,558 (2023: £173,608). This was due to the intention to liquidate the entity in early 2025. Due to this the Company has used 0% terminal growth rate and a 16 month forecast period to calculate the impairment.

10 Tangible assets

	Furniture, fixtures and fittings £	Computer equipment £	Leasehold improvements £	Right of use assets £	Total £
Cost					
At 1 January 2024	3,126	25,432	–	475,906	504,464
Additions	–	159,042	426,690	–	585,732
Disposals	(3,126)	(2,849)	–	–	(5,975)
At 31 December 2024	–	181,625	426,690	475,906	1,084,221
Accumulated depreciation					
At 1 January 2024	1,368	9,346	–	20,589	31,303
Charge for the year	542	53,940	92,883	85,865	233,230
Disposals	(1,898)	(1,822)	–	–	(3,720)
Foreign exchange	(12)	(1,021)	(1,824)	–	(2,857)
At 31 December 2024	–	60,443	91,059	106,454	257,956
Net book value					
31 December 2024	–	121,182	335,631	369,452	826,265
31 December 2023	1,758	16,086	–	455,317	473,161

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FOR THE YEAR ENDED 31 DECEMBER 2024

11 Debtors: amounts falling due within the year

	2024	2023
	£	£
Trade receivables	3,399	2,264
Prepayments and contract assets	1,550,332	921,706
Other debtors	121,172	732,978
Amounts due from group undertakings	1,719,404	50,717
	3,394,307	1,707,665

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in the financial statements. The Group does not hold any collateral as security over any receivable balance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables by assessing both historical loss rates and also current and forward-looking expectations. Historically, the Company has fully collected its receivables and, given that current receivables can be collected at source from the underlying assets of the debtor and in the current year, no impairment has been made.

The balances receivable from related entities are due and payable immediately and incur no interest.

12 Cash at bank and in hand

	2024	2023
	£	£
Bank balances	5,082,382	2,534,307

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade payables	725,806	44,286
Accrued expenses	976,256	879,058
Other creditors	36,828	12,504
Amounts due to group undertakings	2,881,204	71,652
Lease liability	88,833	80,929
	4,708,927	1,088,429

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

14 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Lease liability	280,267	362,843

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
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15 Deferred taxation

	2024	2023
	£	£'000
Provision at start of year	2,385	–
Charged to profit and loss	22,947	2,385
Provision at end of year	25,332	2,385

The deferred tax liability is made up as follows:

	2024	2023
	£	£
Accelerated capital allowances	27,880	2,385
Post-employment benefits	(2,548)	–
	25,332	2,385

16 Called up share capital

	2024	2023
	£	£
Authorised		
2,150,000 ordinary shares of £1 each	2,150,000	2,150,000
Allotted and fully paid		
2,150,000 ordinary shares of £1 each	2,150,000	2,150,000

In managing its capital, Morningstar Wealth Administration Limited's primary objective is to ensure its continued ability to provide an adequate return for its equity shareholders through capital growth. In making decisions to adjust its capital structure, for instance by issuing new shares, Morningstar Wealth Administration Limited considers not only its short-term position but also its long range operational and strategic objectives as well as the need to be compliant with externally imposed capital requirements set out by the Financial Conduct Authority. As at year end the Company was compliant with these requirements.

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote.

17 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Retained earnings	Retained earnings represents cumulative profits and losses net of dividends paid and other adjustments

MORNINGSTAR WEALTH ADMINISTRATION LIMITED
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18 Related party transactions

Since the Company is a wholly owned subsidiary, advantage has been taken of the exemption granted by FRS 101 (Revised) Reduced Disclosures from the disclosure of transactions with other members of the group, which are wholly owned by the parent company Morningstar Wealth Portfolio Services Limited.

There are no transactions to disclose with companies outside of the Morningstar, Inc. group.

19 Controlling party

The immediate parent undertaking is Morningstar Wealth Portfolio Services Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Morningstar, Inc., a company incorporated in the United States of America.

The largest group in which results of the Company are consolidated is that headed by Morningstar, Inc.. Copies of the consolidated financial statements may be obtained from its registered office at 22 West Washington Street, Chicago, IL 60602 United States and are available from www.morningstar.com.

20 Events after the balance sheet date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.