

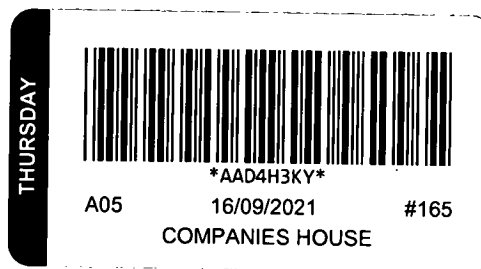
Registered number: 03736872

THE MOTLEY FOOL LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 SEPTEMBER 2020



THE MOTLEY FOOL LIMITED
REGISTERED NUMBER: 03736872

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

			2020 £	2019 £
Tangible assets	4		-	-
Current assets				
Debtors: amounts falling due within one year	5	714,353	1,678,823	
Current asset investments	6	158,111	180,285	
Cash at bank and in hand	7	2,418,960	654,614	
		<u>3,291,424</u>	<u>2,513,722</u>	
Creditors: amounts falling due within one year	8	(3,468,799)	(2,465,012)	
Net current (liabilities)/assets			<u>(177,375)</u>	48,710
Total assets less current liabilities			<u>(177,375)</u>	48,710
Creditors: amounts falling due after more than one year	9		(127,699)	(228,269)
Net liabilities			<u><u>(305,074)</u></u>	<u><u>(179,559)</u></u>
Capital and reserves				
Called up share capital	11		19,979	19,979
Share premium account			526,565	526,565
Profit and loss account			(851,618)	(726,103)
			<u><u>(305,074)</u></u>	<u><u>(179,559)</u></u>

THE MOTLEY FOOL LIMITED
REGISTERED NUMBER: 03736872

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2020

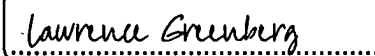
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 July 2021

DocuSigned by:


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53DC5DEF37384E1
Lawrence Greenberg
Director

The notes on pages 3 to 14 form part of these financial statements.

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. General information

The Motley Fool Limited is a company limited by shares incorporated in England and Wales, registration number 03736872. The principal place of business and registered office is 5 New Street Square, London, United Kingdom, EC4A 3TW.

The company's principal activity is an internet-based community specialising in investing information and guidance.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Motley Fool Global Limited as at 30 September 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

The ultimate parent company, The Motley Fool LLC, incorporated in Delaware, USA, has confirmed its intention to provide financial support to the Company, should such need arise, to enable the Company to meet its liabilities as and when they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly the directors have drawn up these financial statements on a going concern basis.

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Subscription revenues are recognised following the completion of the money-back-guarantee period over the term of the subscription payment received. Partnership and syndication revenues are recognised in accordance with the underlying contracts and periods of delivery of contracted content and services. Advertising revenues are initially recognised based on the expected delivery of online and email advertising activity; any shortfall against expected delivery is quantified and deferred until it is served.

Revenue is stated net of value added tax.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.12 Valuation of investments

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

Intra-group loans receivable are recognised as non-basic financial instruments when the interest rate is linked to the United States Prime rate. These debt instruments are recognised at fair value using a valuation model at a rate of interest appropriate when the debt instrument originated.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price.

Intra-group loans receivable are recognised as non-basic financial instruments when the interest rate is linked to the United States Prime rate. These debt instruments are recognised at fair value using a valuation model at a rate of interest appropriate when the debt instrument originated.

THE MOTLEY FOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.16 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separately embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

3. Employees

The average monthly number of employees during the year was 5 (2019 - 6).

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

4. Tangible fixed assets

	Computer equipment £
Cost	
At 1 October 2019	30,238
At 30 September 2020	30,238
Depreciation	
At 1 October 2019	30,238
At 30 September 2020	30,238
Net book value	
At 30 September 2020	-
At 30 September 2019	-

5. Debtors

	2020 £	2019 £
Trade debtors	288,556	87,011
Amounts owed by group undertakings	131,989	1,090,921
Other debtors	293,808	421,962
Prepayments and accrued income	-	78,929
	714,353	1,678,823

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

6. Current asset investments

	2020 £	2019 £
Listed investments	<u>158,111</u>	<u>180,285</u>
	2020 £	2019 £
Opening fair value	180,285	165,071
Purchases	6,794	16,369
Sales	(7,183)	(26,616)
Gains on remeasurement to fair value	(21,785)	25,461
Market value	<u><u>158,111</u></u>	<u><u>180,285</u></u>
Market value	<u><u>-</u></u>	<u><u>-</u></u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u><u>2,418,960</u></u>	<u><u>654,614</u></u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	41,456	68,554
Amounts owed to group undertakings	1,914,406	1,294,508
Other taxation and social security	-	3,127
Accruals and deferred income	1,512,937	1,098,823
	<u><u>3,468,799</u></u>	<u><u>2,465,012</u></u>

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

9. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Accruals and deferred income	127,699	228,269

10. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	2,577,071	834,899

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand, and listed investments.

11. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
1,997,900 (2019 - 1,997,900) Ordinary shares of £0.01 each	19,979	19,979

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Share based payments

Stock options and Restricted Stock Awards

All UK-based employees are entitled to a grant of Share options (options) or a Restricted Stock Award (RSA) on joining the Company and may receive subsequent grants during their employment as part of the Company's incentive program. The options and RSAs are granted in the ultimate parent undertaking, The Motley Fool Holdings, Inc., under that Company's Amended and Restated 2008 Equity Incentive Plan (the Plan). The Plan provides for the granting of share options and restricted shares to employees and consultants of The Motley Fool Holdings, Inc., and its subsidiary undertakings. Options granted generally vest over a 4-year period and have a 10-year term. RSAs are subject to a vesting period determined at the date of grant. The unvested options and RSAs are forfeited if the employee leaves the Company.

In the event of a sale of all or substantially all of the ultimate parent company's assets, or a merger with or into another organisation, the Board of Directors of The Motley Fool Holdings, Inc. has the authority to provide automatic acceleration of vesting.

The options are exercisable at the exercise price determined at the time of grant. RSAs are granted at market value and become the property of the employee proportionally over the vesting period.

As discussed in Note 1 the Company records compensation expense in the profit and loss account, based on the equity-settled grant-date fair value basis in accordance with the provisions of FRS102. The Company recognises compensation expense on a fair value basis and reflecting the instalment basis of options granted under the Plan.

The total expense recognised for share-based equity-settled payments in respect of employee services received during the period to September 30, 2020 is £40,605 (2019 – £38,374) of which £Nil was from options and £40,605 was from RSAs (2019 - £Nil and £38,374 respectively).

As of September 30, 2020, £Nil (2019 - £Nil) of total unrecognized compensation cost related to stock options is expected to be recognised and £63,277 (£46,703) of total unrecognized compensation cost related to restricted stock is expected to be recognised over approximately 2 years.

Stock Options Fair Value and Grants

There were no stock options granted during the period ended 30 September 2020 or 30 September 2019. All outstanding share options were fully vested as of September 30, 2017. The following table illustrates the number and weighted average exercise price (WAEP) of share options during the period.

	Weighted average exercise price (pence) 2020	Number 2020	<i>Weighted average exercise price (pence) 2019</i>	<i>Number 2019</i>
Outstanding at the beginning of the year	4.57	2,300	4.31	2,300
Outstanding at the end of the year	4.41	2,300	4.57	2,300

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Share based payments (continued)

The share options outstanding at the end of the period have the weighted average remaining contractual life of approximately 2 years (2019: 3 years).

Restricted Stock Awards Fair Value and Grants

The Motley Fool Holdings, Inc. uses an external valuation group to assist in valuing its ordinary shares, with the fair value of the ordinary shares determined based on a multiple market approach that uses estimates and assumptions of competitive groups, appropriate multiples, and marketing and liquidity discounts. There is uncertainty in making these judgements and estimates.

RSAs are valued on the grant date based on the most current external valuation at the date of grant. Share valuations were as follows:

October 2013 - August 2014	US \$6.50 / £4.28 per share
August 2014 - February 2015	US \$11.00 / £7.25 per share
February 2015 - July 2015	US \$13.75 / £9.06 per share
July 2015 - February 2016	US \$14.75 / £10.60 per share
February 2016 - September 2016	US \$10.75 / £7.25 per share
September 2016 - April 2017	US \$8.20 / £6.12 per share
April 2017 - October 2017	US \$12.20 / £9.51 per share
October 2017 - April 2018	US \$16.70 / £12.46 per share
April 2018 - September 2018	US \$21.50 / £16.50 per share
October 2018 - April 2019	US \$29.80 / £22.80 per share
April 2019 - September 2019	US \$35.80 / £27.56 per share
October 2019 - September 2020	US \$43.10 / £33.81 per share

Restricted stock awards equivalent to 1,740 shares were granted in the period ended September 30, 2020 (2019: 3,024) with the total fair value for the granted shares of £58,832 (2019: £68,947).

13. Contingent liabilities

The company had no contingent liabilities at 30 September 2020 or 30 September 2019.

14. Pension commitments

The company contributes to a self-invested pension plan (SIPP) on behalf of the employees. Employee contributions are matched up to 7.5% of gross salary. During the period the company contributed £25,334 (2019: £26,121) to the SIPP.

The total pension contribution payable at 30 September 2020 was £5,078 (2019: £4,704).

THE MOTLEY FOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

15. Related party transactions

During the year the Company incurred management charges and royalty fees of £819,497 (2019: £758,533) from its Intermediate parent undertaking, The Motley Fool, LLC. At the balance sheet date, the amount due to The Motley Fool, LLC was £1,914,406 (2019: £1,294,508).

During the year the company charged interest of £36,584 (2019: charged interest of £65,132) from its parent undertaking, The Motley Fool Global Limited. The amount due from The Motley Fool Global Limited was £40,313 (2019: £1,090,921).

16. Parent undertaking and controlling party

The immediate parent undertaking is The Motley Fool Global Limited. The ultimate parent undertaking and controlling party is The Motley Fool Holdings, Inc. incorporated in Delaware, USA.

The largest company which prepares consolidated financial statements, including the company, is the ultimate parent undertaking.

The smallest company which prepares consolidated financial statements, including the company, is The Motley Fool Global Limited.

17. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2020 was unqualified.

The audit report was signed on 7 September 2021 by JUSTIN MOSS MA ACA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.