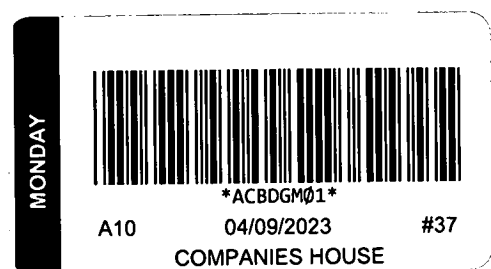


Company Registration No. 09909897 (England and Wales)

Digitalbox Publishing Limited

**Annual report and financial statements
for the year ended 31 December 2022**



Digitalbox Publishing Limited

Company information

Directors James Alexander Carter
James Robert Douglas
Samuel James Higginson

Company number 09909897

Registered office Jubilee House
92 Lincoln Road
Peterborough
PE12SN

Independent auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Digitalbox Publishing Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7 - 8
Statement of changes in equity	9
Notes to the financial statements	10 - 33

Directors' report

For the year ended 31 December 2022

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

Principal activities

The principal activity of the company continued to be the sale of digital advertising space.

Directors

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

James Alexander Carter
James Robert Douglas
Samuel James Higginson

Auditor

The auditor, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Digitalbox Publishing Limited

Directors' report (continued)

For the year ended 31 December 2022

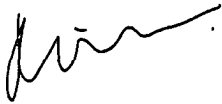
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



James Alexander Carter
Director

27 March 2023

Digitalbox Publishing Limited

Independent auditor's report

To the members of Digitalbox Publishing Limited

Opinion

We have audited the financial statements of Digitalbox Publishing Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report (continued)
To the members of Digitalbox Publishing Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the parent company's AIM regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries which shared key risk characteristics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jon Dawson (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG



27 March 2023

Digitalbox Publishing Limited

Statement of comprehensive income
For the year ended 31 December 2022

		2022	2021
	Notes	£	£
Revenue	3	3,578,269	3,667,067
Cost of sales		(533,762)	(529,400)
Gross profit		<u>3,044,507</u>	<u>3,137,667</u>
Administrative expenses		(2,111,074)	(2,400,568)
Other operating income	3	-	10,246
Operating profit	4	<u>933,433</u>	<u>747,345</u>
Investment income	7	222,785	1,432
Finance costs	8	(9,212)	(14,362)
Other gains and losses	9	(219,802)	-
Profit before taxation		<u>927,204</u>	<u>734,415</u>
Tax on profit	10	673,304	(162,181)
Profit and total comprehensive income for the financial year		<u><u>1,600,508</u></u>	<u><u>572,234</u></u>

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

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 10 to 33 form part of these financial statements.

Digitalbox Publishing Limited

Statement of financial position
As at 31 December 2022


	Notes	2022 £	2021 £
Non-current assets			
Intangible assets - goodwill	11	118,116	118,116
Other intangible assets	11	859,284	591,652
Property, plant and equipment	12	51,956	45,875
Investments	13	-	219,802
		<u>1,029,356</u>	<u>975,445</u>
Current assets			
Trade and other receivables	14	928,672	1,717,598
Deferred tax asset	20	655,874	-
Cash and cash equivalents	15	2,826,238	2,165,928
		<u>4,410,784</u>	<u>3,883,526</u>
Current liabilities			
Borrowings	17	112,500	112,500
Trade and other payables	18	1,483,017	2,109,637
Taxation and social security	18	126,402	272,883
Lease liabilities	21	-	28,782
		<u>1,721,919</u>	<u>2,523,802</u>
Net current assets		<u>2,688,865</u>	<u>1,359,724</u>
Total assets less current liabilities		<u>3,718,221</u>	<u>2,335,169</u>
Non-current liabilities			
Borrowings	17	206,250	318,750
Lease liabilities	21	-	2,406
		<u>206,250</u>	<u>321,156</u>

Digitalbox Publishing Limited

Statement of financial position (continued)
As at 31 December 2022

	Notes	2022 £	2021 £
Provisions for liabilities			
Deferred tax liabilities	20	-	148,016
		<hr/>	<hr/>
Net assets		3,511,971	1,865,997
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Called up share capital	24	146	146
Share premium account	25	1,180,794	1,180,794
Capital contribution reserve	26	182,804	137,338
Retained earnings	26	2,148,227	547,719
		<hr/>	<hr/>
Total equity		3,511,971	1,865,997
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the board of directors and authorised for issue on 27 March 2023 and are signed on its behalf by:



James Alexander Carter
Director

Company Registration No. 09909897

Digitalbox Publishing Limited

Statement of changes in equity

For the year ended 31 December 2022

	Notes	Share capital £	Share premium account £	Capital contribution reserve £	Retained earnings £	Total £
Balance at 1 January 2021		146	1,180,794	94,012	(24,515)	1,250,437
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	572,234	572,234
Share-based payment charge	23	-	-	43,326	-	43,326
Balance at 31 December 2021		146	1,180,794	137,338	547,719	1,865,997
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	1,600,508	1,600,508
Share-based payment charge	23	-	-	45,466	-	45,466
Balance at 31 December 2022		146	1,180,794	182,804	2,148,227	3,511,971

1 Accounting policies

Company information

Digitalbox Publishing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jubilee House, 92 Lincoln Road, Peterborough, PE12SN. The principal activity of the company is the sale of digital advertising space.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Where required, equivalent disclosures are given in the group accounts of Digitalbox plc. The group accounts of Digitalbox plc are available to the public and can be obtained as set out in note 28.

1 Accounting policies (continued)

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- 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 requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.
- 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, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment and (iii) paragraph 118 (e) of IAS 38 Intangibles Assets
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group accounts of Digitalbox plc. The group accounts of Digitalbox plc are available to the public and can be obtained as set out in the note 28.

1.2 Going concern

The company has generated a profit for the year of £1,600,508 (2021: £572,234), with closing net assets of £3,511,971 (2021: £1,865,997), net current assets of £2,688,865 (2021: £1,359,724) and cash at bank and in hand of £2,826,238 (2021: £2,165,928).

The company has remained profitable and cash generative during a difficult economic period which saw the impact of the war in Ukraine and the effect that has had on inflation in the UK.

In considering going concern, the Directors consider the current financial position and performance of the business, as well as reviewing financial information for a period of at least 12 months from the date of approval of the financial statements. Given the financial performance of the company and the expectations from forecast financial information, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The Directors believe that they can continue to mitigate the long-term impact of Covid-19 as has been demonstrably achieved in the year ended 31 December 2022, and accordingly continue to adopt the going concern basis in preparing the financial statements.

1 Accounting policies (continued)

1.3 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 company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

The company monitors the performance obligations in accordance with IFRS 15 considering that the performance obligations are met upon the company delivering the advertisement to the customer.

A receivable is recognised when the services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Revenue from the sale of advertising space is recognised upon the advertisement being generated and the company delivering the advertisement to the customer. The company recognises revenue when the amount of revenue can be reliably measured, it is probable future economic benefits will flow to the entity and the company has satisfied the performance obligations. Where revenue is received in advance the company recognises contract liabilities.

Interest income

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

1 Accounting policies (continued)

1.4 Business combinations and goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries or businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses. Acquisition related costs are recognised in the income statement as incurred.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Transactions between wholly owned group members involving the hive-up or hive-across of trade and / or assets and liabilities are outside the scope of IFRS 3 on the grounds that they represent common control business combinations. The group has elected to apply IFRS 3 in accounting for all such transactions, which involves a full fair value exercise at the date of the transaction. This accounting policy has been consistently applied to all such transactions and has been chosen on the grounds that the nature of these transactions is the amalgamation of acquired businesses into the existing trading business, which generally takes place shortly after the original acquisition.

1.5 Intangible assets other than goodwill

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

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, which are as follows:

Computer software	3 years straight line
Brands and trademarks	7 years straight line

1 Accounting policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Right of use assets	over the term of the lease
Office Equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

1 Accounting policies (continued)

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for facts that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast director of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

1 Accounting policies (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

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

1 Accounting policies (continued)

1.14 Employee benefits

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

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

A termination benefit liability is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered the service entitling them to the contributions.

1.16 Share-based payments

Share-based payments are equity settled by way of issue of securities in the company's immediate and ultimate parent undertaking, Digitalbox plc. Accordingly, movements in share-based payments are recorded in the capital contribution reserve.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.17 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

1 Accounting policies (continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received, and are recognised as a separate component of other operating income, rather than being offset against the costs to which they relate.

1 Accounting policies (continued)

1.19 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 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.

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Management consider the following areas to be subject to estimation and judgement.

Critical judgements

Valuation of intangible assets

When a hive-up transaction or business combination takes place, the company is required to assess whether there are any intangible assets arising separately in applying its accounting policy for such transactions. Management judgement is required to determine whether an intangible asset can be separately identified, what fair value should be ascribed to the asset and its useful economic life.

Amortisation of intangible assets

The periods of amortisation adopted to write down capitalised intangibles requires judgement to be made in respect of estimating the useful economic lives of the intangible assets to determine the appropriate amortisation rate.

Intangible assets are amortised straight line over the period during which economic benefits are expected to be received, which typically for technology is 3 years and for brands and trademarks is 7 years.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Management Charges

Management charges incurred are charged to the company by the parent in relation to the benefits the company has received due to the Group being listed on AIM.

Impairment of investments and intangibles

Investments and intangible assets are independently considered for indicators of impairment at each reporting date. In respect of investments, in part this involves considering the recoverable amount of the underlying net assets of the subsidiary. In both cases, the directors consider estimates of the value in use (or fair value less costs to sell) of the underlying asset which is being assessed for impairment. This requires the directors to estimate the future cash flows and an appropriate discount factor, in order that the net present value of those cash flows can be determined. Discounted cash flow forecasts are stress tested under a range of scenarios. In all instances, the headroom is sufficient to satisfy the directors that there are no indicators of impairment based on circumstances that were present or could be reasonably foreseen at the reporting date.

Provision for bad and doubtful debts

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing. The expected loss rates are based on the company's historical credit losses experience over the twelve month period prior to the period end. Forward looking issues have been considered. This has had an immaterial effect on the expected credit loss rate.

3 Revenue

	2022	2021
	£	£
Revenue analysed by class of business		
Entertainment Daily	2,261,746	2,463,989
Mashed Productions	219,588	298,270
The Tab	1,058,796	895,558
E-Commerce	23,443	9,250
The Poke	14,696	-
	<u>3,578,269</u>	<u>3,667,067</u>
	2022	2021
	£	£
Other operating income		
Dividends received	215,000	-
Grants received	-	10,246
	<u>215,000</u>	<u>10,246</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Revenue (continued)

	2022	2021
	£	£
Revenue analysed by geographical market		
United Kingdom	759,418	1,683,477
Europe	1,381,219	664,997
Rest of the world	1,437,632	1,318,593
	<u>3,578,269</u>	<u>3,667,067</u>

All revenue in the current and previous year relates to the principal activity of the company.

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(6,291)	17,732
Government grants	-	(10,246)
Defined contribution pension cost	12,886	11,232
Depreciation of property, plant and equipment	6,950	31,603
Amortisation of intangible assets	122,940	93,040
Share-based payments	45,466	43,326
	<u> </u>	<u> </u>

5 Employees

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

	2022	2021
	Number	Number
Directors	6	3
Management and administration	4	3
Content	22	20
	<u> </u>	<u> </u>
Total	<u>32</u>	<u>26</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

5 Employees (continued)

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	853,811	667,310
Social security costs	91,255	54,968
Pension costs	12,886	11,232
	<u>957,952</u>	<u>733,510</u>

The directors did not receive any remuneration from the company during the year (2021: £NIL), instead being remunerated by the company's ultimate parent, Digitalbox plc.

In addition to the employee remuneration stated above, there are share-based payment charges amounting to £45,466 (2021: £43,326).

6 Auditor's remuneration

Fees payable to the company's auditors are payable by Digitalbox plc. Auditor's remuneration recharged to the company in connection with the year ended 31 December 2022 amounted to £25,000 (2021: £18,000).

7 Investment income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	7,785	1,432
Income from fixed asset investments		
Income from shares in group undertakings	215,000	-
	<u>222,785</u>	<u>1,432</u>
Total income	<u>222,785</u>	<u>1,432</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

8	Finance costs	2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank loans	9,212	11,804
	Interest on other financial liabilities:		
	Interest on lease liabilities	-	2,338
	Interest on other liabilities	-	220
	Total interest expense	<u>9,212</u>	<u>14,362</u>
9	Other gains and losses	2022	2021
		£	£
	Loss on disposal of fixed asset investments	(219,802)	-
		<u>(219,802)</u>	<u>-</u>
<p>During the year, the trade and assets of Tab Media Limited were hived up into Digitalbox Publishing Limited by way of dividend. Tab Media Limited was subsequently dissolved on 31 May 2022 resulting in a loss on disposal of £219,802 against the carrying value of the investment.</p>			
10	Taxation	2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	132,363	145,091
	Adjustments in respect of prior periods	(1,777)	(18,461)
	Total UK current tax	<u>130,586</u>	<u>126,630</u>
	Deferred tax		
	Origination and reversal of temporary differences	(8,312)	35,551
	Changes in tax rates	(2,626)	-
	Benefit arising from a previously unrecognised tax loss, tax credit or temporary difference	(792,952)	-
		<u>(803,890)</u>	<u>35,551</u>
	Total tax charge/(credit)	<u>(673,304)</u>	<u>162,181</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

10 Taxation (continued)

There were no factors which may affect future tax charges.

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

	2022	2021
	£	£
Profit before taxation	927,204	734,415
Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)	176,169	139,539
Effect of expenses not deductible in determining taxable profit	12,601	219
Income not taxable	(5,639)	-
Change in unrecognised deferred tax assets	(792,952)	-
Adjustment in respect of prior years	(1,777)	(3,065)
Group relief	(8,410)	-
Permanent capital allowances in excess of depreciation	(1,827)	-
Deferred tax not recognised - loss relief in current period	(49,755)	(10,037)
Changes in tax rates	(2,626)	35,525
Group income	(40,850)	-
Loss on disposal of subsidiary	41,762	-
Taxation (credit)/charge for the year	(673,304)	162,181

In the Budget on 3 March 2021, the Chancellor announced the intention to increase the main rate of UK corporation tax to 25% for the financial year beginning 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax at the balance sheet date has therefore been measured using the enacted tax rate of 25% (2021: 25%) in these financial statements.

11 Intangible fixed assets

	Goodwill	Computer Software	Brands and trademarks	Total
	£	£	£	£
Cost				
At 31 December 2021	118,116	180,414	621,662	920,192
Additions	-	170,639	219,933	390,572
At 31 December 2022	118,116	351,053	841,595	1,310,764

11 Intangible fixed assets

	Goodwill	Computer Software	Brands and trademarks	Total
	£	£	£	£
Amortisation and impairment				(continued)
At 31 December 2021	-	99,414	111,010	210,424
Charge for the year	-	32,282	90,658	122,940
At 31 December 2022	-	131,696	201,668	333,364
Carrying amount				
At 31 December 2022	118,116	219,357	639,927	977,400
At 31 December 2021	118,116	81,000	510,652	709,768

12 Property, plant and equipment

	Right of use assets	Office Equipment	Total
	£	£	£
Cost			
At 31 December 2021	56,457	39,130	95,587
Additions	-	42,712	42,712
Disposals	(56,457)	(14,228)	(70,685)
At 31 December 2022	-	67,614	67,614
Accumulated depreciation and impairment			
At 31 December 2021	25,876	23,836	49,712
Charge for the year	-	6,950	6,950
Eliminated on disposal	(25,876)	(15,128)	(41,004)
At 31 December 2022	-	15,658	15,658
Carrying amount			
At 31 December 2022	-	51,956	51,956
At 31 December 2021	30,581	15,294	45,875

Notes to the financial statements (continued)
For the year ended 31 December 2022

12 Property, plant and equipment (continued)

The net book value of owned and leased assets included as "Property, plant and equipment" in the Statement of Financial Position is as follows:

	2022	2021
	£	£
Tangible fixed assets owned	51,956	15,294
Right-of-use tangible fixed assets	-	30,581
	<u>51,956</u>	<u>45,875</u>
Right-of-use assets	2022	2021
	£	£
Net book value		
Property	-	30,581
	<u>-</u>	<u>30,581</u>
	<u>-</u>	<u>30,581</u>
Depreciation charge for the year		
Property	-	27,873
	<u>-</u>	<u>27,873</u>
	<u>-</u>	<u>27,873</u>

13 Investments

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
Investments in subsidiaries	-	-	-	219,802
	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,802</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Notes to the financial statements (continued)
For the year ended 31 December 2022

13 Investments (continued)

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2022	219,802
Disposals	(219,802)
	<u>-</u>
At 31 December 2022	<u>-</u>
Carrying amount	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>219,802</u>

During the year, the trade and assets of Tab Media Limited were hived up into Digitalbox Publishing Limited by way of dividend. Tab Media Limited was subsequently dissolved on 31 May 2022 resulting in a loss on disposal of £219,802.

14 Trade and other receivables

	2022 £	2021 £
Trade receivables	784,245	1,427,937
Other receivables	55,943	237,242
Prepayments and contract assets	88,484	52,419
	<u>928,672</u>	<u>1,717,598</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Notes to the financial statements (continued)
For the year ended 31 December 2022

15 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	2,826,238	2,165,928
	<u>2,826,238</u>	<u>2,165,928</u>

16 Credit risk

The Group is exposed to credit risk primarily on its trade receivables. The Group maintains its cash reserves at a reputable bank. It is group policy to assess the credit risk of each new customer before entering into binding contracts.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

The company does not hold any collateral or other credit enhancements to cover this credit risk.

17 Borrowings

	2022	2021
	£	£
Secured borrowings at amortised cost		
Bank loans	318,750	431,250
	<u>318,750</u>	<u>431,250</u>

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£	£
Less than one year	112,500	112,500
Between one to five years	206,250	318,750
	<u>318,750</u>	<u>431,250</u>

On 7 October 2020, the company drew down a loan facility amounting to £450,000 under the CBILS scheme. The loan is for a term of five years and is repayable in equal monthly instalments which commenced in November 2021. Interest is charged at a fixed rate of 2.43% per annum, with the cost being fully subsidised by central Government for the first 12 months. The loan is secured by a debenture over the assets of the company and a £450,000 guarantee granted by Digitalbox plc.

Notes to the financial statements (continued)
For the year ended 31 December 2022

18 Trade and other payables

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
Trade payables	114,149	57,025	-	-
Amounts owed to fellow group undertakings	1,333,298	1,951,724	-	-
Accruals	32,952	100,888	-	-
Corporation tax	60,714	145,079	-	-
Social security and other taxation	65,688	127,804	-	-
Obligations under finance lease and hire purchase contracts	-	28,782	-	2,406
Other payables	2,618	-	-	-
	<u>1,609,419</u>	<u>2,411,302</u>	<u>-</u>	<u>2,406</u>

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

19 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

20 Deferred taxation

	2022	2021
	£	£
Deferred tax liabilities	-	148,016
Deferred tax assets	(655,874)	-
	<u>(655,874)</u>	<u>148,016</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Deferred taxation (continued)

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Intangible asset timing differences £	Tax losses £	Total £
Deferred tax liability at 1 January 2021	112,465	-	112,465
Deferred tax movements in prior year			
Charge to profit or loss	35,551	-	35,551
Deferred tax liability at 1 January 2022	148,016	-	148,016
Deferred tax movements in current year			
Credit to profit or loss	(10,938)	(792,952)	(803,890)
Deferred tax asset at 31 December 2022	<u>137,078</u>	<u>(792,952)</u>	<u>(655,874)</u>

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

21 Lease liabilities

Company as a lessee

The company has leasing arrangements for their head office.

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £	2021 £
Current liabilities	-	28,782
Non-current liabilities	-	2,406
	<u>-</u>	<u>31,188</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

21 Lease liabilities (continued)

Contractual undiscounted cash flows are due as follows:

	2022	2021
	£	£
Current liabilities	-	30,030
Non-current liabilities	-	2,502
	<u>-</u>	<u>32,532</u>

There is not considered any significant liquidity risk by the company in respect of leases.

The following amounts in respect of leases, where the company is a lessee, have been recognised in profit or loss:

	2022	2021
	£	£
Interest on lease liabilities	-	2,338
Expenses relating to short-term leases	27,873	23,960
	<u>27,873</u>	<u>23,960</u>

22 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charge to income in respect of defined contribution plans in £12,887 (2021: £11,232)

Amounts outstanding within payables at 31 December 2022 were £3,052 (2021: £2,348).

23 Share-based payments

Expenses

Related to equity settled share based payments	45,466	43,326
	<u>45,466</u>	<u>43,326</u>

23 Share-based payments (continued)

Certain employees of the company have been granted rights to equity instruments in the company's immediate and ultimate parent undertaking, Digitalbox plc, in consideration for services provided to the company.

Share options outstanding at the end of the period have exercise prices of 6.00 to 6.75 pence per share and expire between 16 April 2023 and 23 February 2024.

They vest at the earlier of 3 years from grant, being the expiry date, or an exit event.

24 Share capital

	2022	2021
	£	£
Ordinary share capital Issued and fully paid Ordinary Shares of £1 each	146	146
	<u> </u>	<u> </u>

25 Share premium account

	2022	2021
	£	£
At the beginning and end of the year	1,180,794	1,180,794
	<u> </u>	<u> </u>

26 Reserves

Full details of movements in reserves are set out in the statement of changes in equity. The following describes the nature and purpose of each reserve within owners' equity:

Share premium: Amount subscribed for share capital in excess of nominal value.

Retained earnings: Cumulative net gains and losses recognised in the statement of comprehensive income.

Capital contribution: The cumulative value of services provided by the company's employees under share-based payment arrangements where those arrangements give rights to equity instruments in the company's immediate and ultimate parent undertaking, Digitalbox plc.

27 Related party transactions

Remuneration of key management personnel

Key management personnel did not receive any remuneration from the company during the year (2021: £NIL), as they were remunerated by the company's parent, Digitalbox plc.

Transactions with directors

At 31 December 2022, the company was due £NIL (2021: £171,299) from James Carter and Jim Douglas, two directors of the company.

Transactions with other related parties

Integral2 Limited is a related party by virtue of David Joseph's directorship, as well as his membership of the key management personnel of the parent undertaking, Digitalbox plc. Integral2 Limited billed £65,201 (2021: £52,541) to the Group, a company related by virtue of David Joseph being a common director. As at 31 December 2022, £5,125 (2021: £5,286) was owed to Integral2 Limited.

During the year, the trade and assets of Tab Media Limited were hived up into Digitalbox Publishing Limited by way of dividend. Tab Media Limited was subsequently dissolved on 31 May 2022 resulting in a loss on disposal of £219,802.

28 Controlling party

The immediate parent company of Digitalbox Publishing Limited is Digitalbox Publishing (Holdings) Limited, a company registered in England & Wales. The ultimate parent company is Digitalbox plc, a company registered in England & Wales. The registered office address of both the immediate and ultimate parent is the same as that of the company.

The largest and smallest group in which the results of the company are consolidated is Digitalbox plc, the ultimate parent company. The consolidated financial statements of Digitalbox plc may be obtained from Digitalbox plc, Jubilee House, 92 Lincoln Road, Peterborough, PE1 2SN.