

COMPANY REGISTRATION NUMBER 09597755

**DIGITAL MONEYBOX LTD**  
**FINANCIAL STATEMENTS**  
**31 MAY 2020**



**DIGITAL MONEYBOX LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2020**

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**DIGITAL MONEYBOX LTD**  
**DIRECTORS AND ADVISORS**  
**YEAR ENDED 31 MAY 2020**

B Stanway	Director
C Mortimer	Director
D Bradley	Non-Executive Director (resigned 13 March 2020)
D Godfrey	Non-Executive Director
A Advani	Non-Executive Director
J Denais	Non-Executive Director (appointed 16 March 2020)
Registered office:	1.07, 1-2 Hatfields, London, SE1 9PG
Company registration number:	09597755
Bankers:	Santander UK PLC, 2 Triton Square, Regent's Place, London, NW1 3AN

**DIGITAL MONEYBOX LTD**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 MAY 2020**

The directors present the Strategic report of Digital Moneybox Ltd and its subsidiaries ("the Group") for the year ended 31 May 2020.

**Principal activity**

The Group provides mobile applications which enable customers to make regular investments into simple low-cost tracker funds via tax efficient products, such as an ISA, Lifetime ISA, or a personal pension, and cash savings through the Cash Lifetime ISA and Savings 95 products.

The business adopts a strategy to leverage technology within the markets in which it operates to deliver the service whilst driving customer and revenue growth.

On 10 March 2020, the Group completed its Series C funding round raising £30.5m, increasing by an additional £1.2m in September 2020.

**Business review**

The results for the year ended 31 May 2020 are set out in the Consolidated statement of comprehensive income on page 12.

Group revenues increased by 128% to £2,505,744 (2019: £1,098,112). Gross profit was £1,256,646 (2019: £211,787), with gross margin increasing to 50% (2019: 19%). EBITDA was -£6,984,890 (2019: -£4,673,281). EBITDA losses have widened from the prior year, predominantly due to increased marketing activity, product development, and growth of headcount.

At 31 May 2020 the Group had AUA of £924,225,178 (2019: £135,539,658), increasing 582% in the year. The Group's customer base increased by 124% to 433,154 (2019: 192,970).

*Financial key performance indicators*

The financial key performance indicators used in the business are: revenue, gross profit, and EBITDA. The business performance, in terms of these indicators, is described above.

**Principal risks and uncertainties**

*Business risks*

The principal activities of the business are the provision of applications, currently delivered via mobile devices. Key risks associated with this includes the continuity of the underlying technology and systems infrastructure, and the safeguarding of client information.

The Group's operation depends on complex, interconnected information technology systems and networks. To protect the confidentiality, integrity, and availability of these systems, networks, and the data that they store, process and transmit, the Group has implemented a layered defence strategy.

**DIGITAL MONEYBOX LTD**  
**STRATEGIC REPORT (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

The Group's strategy is to balance the strength of its technical controls with their usability. This ensures appropriate controls are embedded within the process, starting with design and moving on to operations. The goal of the information security policy is to counter the security threats to the member and customer information we store, process and transmit.

An external third party is employed to perform a comprehensive security review of the mobile phone applications on an annual basis. It identifies risks, validates compliance, and in turn reduces the likelihood of data breaches.

The Group's infrastructure has been constructed with reliability and availability at the forefront. All processing systems, databases and networks are independent, so no single component can bring down the system. At the application level this allows for the occurrence of sustained multiple failures before system performance degrades.

As part of its governance structure the Group has an Information Security Policy. An Information Security Management Committee (ISMC) has been put in place to oversee the policy and to support the identification and management of information security risks. The ISMC utilises the risk management processes contained in the policy to identify vulnerabilities, threats and mitigating controls associated with the Group's business, processes, people, technologies and services.

*Foreign Exchange risk, liquidity risk and credit risk*

The Group is exposed to foreign exchange risk, which is the risk of making financial loss through regular international trading activity. The Group's exposure is due to several major suppliers requiring payment in US Dollars. The principal objective of the Group's treasury policy is the management and control of risks that arises as a result of foreign currency transactions. It is a fundamental principal that the Group does not speculate in the currency market.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It's managed through a rolling cash flow forecast.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that party by failing to discharge an obligation. The revenue is generated, billed and settled directly from customer balances therefore the Group does not hold any credit risk directly with customers.

*Macroeconomic risk*

The COVID-19 pandemic has caused downwards movements in the world equity markets since late February 2020; however, the key financial performance indicators of the Group, being revenue, gross profit and EBITDA, have all increased since that time, along with the AUA of the Group.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity, profitability and regulatory capital, taking account of the impact of the COVID-19 pandemic, the directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

**DIGITAL MONEYBOX LTD**  
**STRATEGIC REPORT (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

*Monitoring of risks*

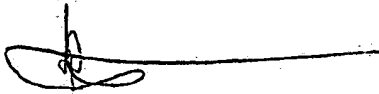
The Group has developed a culture of building into every decision, commercial, technical or financial, a risk-assessment process both at the outset and on an on-going basis. As such, the business maintains a risk register to record the risks to the business. The register is regularly reviewed to ensure that it represents a reflection of the risks that the Group faces. The Risk Committee meets on a regular basis and reports into the board.

**Future development**

It is the directors' intention to invest in the business during the next financial year and specifically, to increase the number of employees across all departments to grow the business. Further development will involve the launch of new products under the Moneybox brand.

**Approval**

The Strategic report was approved by order of the board on 17<sup>th</sup> September 2020.

A handwritten signature in black ink, consisting of a stylized 'B' followed by a long horizontal line.

**B Stanway**  
Director

**DIGITAL MONEYBOX LTD**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MAY 2020**

The directors present their report and the audited financial statements of the Group for the year ended 31 May 2020.

**Results and dividends**

The loss for the year, after taxation and other comprehensive income, amounted to £7,785,191 (2019: £5,132,420). No dividends were declared or paid during the year (2019: £nil).

**Political donations**

The Group has not made any political donations in the financial year (2019: £nil).

**Charitable donations**

The Group has made charitable donations within the financial year amounting to £539 (2019: £nil).

**Going concern**

The directors consider it appropriate to prepare the financial statements on a going concern basis. Further disclosure is given in note 1.6 to the financial statements.

**Research and development**

The directors regard the investment in research and development as integral to the continuing success of the business and ensuring that the Group's products remain strong players in this sector. The development is capitalised and is included within note 11 to the financial statements.

**Directors**

The directors who served the Group during the year were as follows:

B Stanway  
C Mortimer  
D Bradley (resigned 13 March 2020)  
D Godfrey  
A Advani  
J Denais (appointed 16 March 2020)

**Information provided to the auditors**

Each of the directors, at the date the Directors' report is approved, confirm that;

- So far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and;
- They have taken all steps that a director ought to take in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

**DIGITAL MONEYBOX LTD**  
**DIRECTORS' REPORT (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**Employees**

The Group continues to place a high emphasis on mutually beneficial relationships with its employees whom it regards as essential to the Group's future prosperity. Consultation with employees occurs at all levels, with the aim of ensuring that their views are considered when decisions are made that are likely to affect their interests. Similarly, all employees are aware of the financial and economic performance of the Group.

The Group puts great emphasis on providing equality of opportunity for all employees and ensures that fair selection and development procedures apply. The aim of the policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, sexual orientation, disability, marital status, colour, religion, race, or ethnic origin, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the Group's employment, measures will be taken to ensure that they can continue in their employment as far as is practical.

**Indemnity insurance**

Qualifying third party indemnity insurance for the benefit of the directors was in force during the financial year.

**Financial risk managements**

Refer to the Strategic report for further details.

**Post balance sheet events**

On 9 July 2020 the second tranche of the Series C fundraise completed, resulting in 5,076 preferred ordinary C-2 shares being issued at a price of £35.04 per share.

On 13 July 2020 the members of the Group passed a special resolution to repurchase 144 shares at a nominal value of £0.00001, an aggregate repurchase of £0.00144.

On 13 July 2020 the members of the Group passed a special resolution to perform a capital restructure to replace every old share with a nominal of £0.00001 with 10 new shares with a nominal of £0.000001.

On 13 July 2020 the members of the Group passed a special resolution to transfer £8,434,805 of share premium from the C-1 and C-2 share classes to a distributable reserve account.

On 24 July 2020 the third tranche of the Series C fundraise completed, resulting in 2,247,420 preferred ordinary C-1 shares being issued at a price of £3.504 per share.

On 11 September 2020 the Group completed its crowdfund campaign raising £7,074,588, resulting in 2,018,831 ordinary shares being issued at a price of £3.504 per share.



**DIGITAL MONEYBOX LTD**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MAY 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

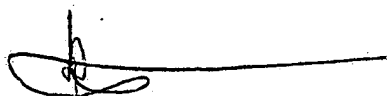
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the directors on 17<sup>th</sup> September 2020.

By order of the board



B Stanway  
Director

**DIGITAL MONEYBOX LTD**  
**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF DIGITAL MONEYBOX LIMITED**  
**YEAR ENDED 31 MAY 2020**

**Opinion**

We have audited the financial statements of Digital Moneybox Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 May 2020 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Parent Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the Parent Company's affairs as at 31 May 2020 and of the Group's loss 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 Group and the Parent 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to

continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given on page 34 for the financial year ended 31 May 2020 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

#### **Responsibilities of Directors**

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Hopkins (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
17<sup>th</sup> September 2020

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

**DIGITAL MONEYBOX LTD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MAY 2020**

		2020	2019
		£	£
	Note		
Revenue	3	2,505,744	1,098,112
Cost of sales		(1,249,098)	(886,325)
<b>Gross profit</b>		<b>1,256,646</b>	<b>211,787</b>
Distribution costs		(3,728,808)	(2,820,803)
Administrative expenses		(6,116,488)	(2,908,043)
Other operating income	6	672,591	350,707
<b>Loss before interest and taxation</b>		<b>(7,916,059)</b>	<b>(5,166,352)</b>
Interest receivable	9	18,260	23,633
<b>Loss before tax</b>		<b>(7,897,799)</b>	<b>(5,142,719)</b>
Tax credit	10	93,754	1,127
<b>Loss for the year</b>		<b>(7,804,045)</b>	<b>(5,141,592)</b>
Share based payments		18,854	9,172
<b>Total comprehensive income for the year</b>		<b>(7,785,191)</b>	<b>(5,132,420)</b>

All activities of the Group are classed as continuing.

The notes on pages 17 to 36 form part of these financial statements.

**DIGITAL MONEYBOX LTD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 MAY 2020**

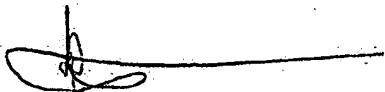
		2020	2019
		£	£
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	12	175,369	89,034
Intangible assets	11	2,986,134	1,908,666
		3,161,503	1,997,700
<b>Current assets</b>			
Trade and other receivables	13	1,635,683	1,187,368
Cash and cash equivalents		8,427,663	8,886,104
		10,063,346	10,073,472
<b>Total assets</b>		13,224,849	12,071,172
<b>Current liabilities</b>			
Trade and other payables	14	(1,035,640)	(492,192)
		(1,035,640)	(492,192)
<b>Non-current liabilities</b>			
Deferred tax liabilities	15	-	(93,754)
		-	(93,754)
<b>Total liabilities</b>		(1,035,640)	(585,946)
<b>Net assets</b>		12,189,209	11,485,226
<b>Equity</b>			
Ordinary shares	16	32	29
Share premium	17	8,415,919	21,335,340
Share based payment reserve	18	106,144	33,023
Distributable reserves	17	21,335,471	-
Retained earnings	17	(17,668,357)	(9,883,166)
<b>Total equity</b>		12,189,209	11,485,226

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 17 to 36 form part of these financial statements.

**DIGITAL MONEYBOX LTD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2020**

The accounts were approved by the directors and authorised for issue on 17<sup>th</sup> September 2020, and are signed on their behalf by:

A handwritten signature in black ink, consisting of a stylized 'B' followed by a long horizontal line.

B Stanway  
Director  
Company registration number: 09597755

**DIGITAL MONEYBOX LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MAY 2020**

	Note	Called-up share capital	Share premium	Share based payment reserve	Distributable reserves	Retained earnings	Total equity
<b>Balance at 1 June 2018</b>		<b>21</b>	<b>7,363,191</b>	<b>13,584</b>	-	<b>(4,750,746)</b>	<b>2,626,050</b>
Loss for the year		-	-	-	-	(5,141,592)	(5,141,592)
Other comprehensive income		-	-	(9,172)	-	9,172	-
<b>Total comprehensive income for the year</b>		-	-	<b>(9,172)</b>	-	<b>(5,132,420)</b>	<b>(5,141,592)</b>
Share based payments			-	28,611	-	-	28,611
Proceeds from shares issued	8	13,972,149		-	-	-	13,972,157
<b>Total transactions with owners, recognised directly in equity</b>		<b>8</b>	<b>13,972,149</b>	<b>28,611</b>	-	-	<b>14,000,768</b>
<b>Balance at 31 May 2019</b>	<b>17</b>	<b>29</b>	<b>21,335,340</b>	<b>33,023</b>	-	<b>(9,883,166)</b>	<b>11,485,226</b>
<b>Balance at 1 June 2019</b>		<b>29</b>	<b>21,335,340</b>	<b>33,023</b>	-	<b>(9,883,166)</b>	<b>11,485,226</b>
Transfers		-	(21,335,471)	-	21,335,471	-	-
Loss for the year		-	-	-	-	(7,804,045)	(7,804,045)
Other comprehensive income		-	-	(18,854)	-	18,854	-
<b>Total comprehensive income for the year</b>		-	-	<b>(18,854)</b>	-	<b>(7,785,191)</b>	<b>(7,804,045)</b>
Share based payments		-	226	91,975	-	-	92,201
Proceeds from shares issued	3	8,415,824		-	-	-	8,415,827
<b>Total transactions with owners, recognised directly in equity</b>		<b>3</b>	<b>8,416,050</b>	<b>91,975</b>	-	-	<b>8,508,028</b>
<b>Balance at 31 May 2020</b>	<b>17</b>	<b>32</b>	<b>8,415,919</b>	<b>106,144</b>	<b>21,335,471</b>	<b>(17,668,357)</b>	<b>12,189,209</b>

The notes on pages 17 to 36 form part of these financial statements.



**DIGITAL MONEYBOX LTD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MAY 2020**

	Note	2020 £	2019 £
<b>Net cash used in operating activities</b>	19	(6,839,265)	(4,837,949)
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		(1,936,976)	(985,845)
Purchase of tangible assets		(150,147)	(89,920)
<b>Net cash used in investing activities</b>		(2,087,123)	(1,075,765)
<b>Cash flow from financing activities</b>			
Proceeds from issue of share capital		8,608,626	13,972,157
Payment of transaction costs		(140,679)	-
<b>Net cash from financing activities</b>		8,467,947	13,972,157
<b>Net increase / (decrease) in cash and cash equivalents</b>		(458,441)	8,058,443
<b>Cash and cash equivalents at the beginning of the year</b>		8,886,104	827,661
<b>Cash and cash equivalents at the end of the year</b>		8,427,663	8,886,104

The notes on pages 17 to 36 form part of these financial statements.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2020**

**1. Accounting policies**

**1.1 General information**

Digital Moneybox Ltd and its subsidiaries ("the Group") owns, develops, and operates a mobile application platform that allows individuals to open tax-efficient accounts to enable investments in simple tracker funds, cash and pension products.

Digital Moneybox Ltd is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 1.07, 1-2 Hatfields, London, SE1 9PG.

**1.2 Statement of compliance**

The financial statements of Digital Moneybox Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standards 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

**1.3 Summary of significant accounting policies**

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

**1.4 Basis of preparation**

These financial statements are prepared on going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

**1.5 Basis of consolidation**

The consolidated financial statements present the results of Digital Moneybox Ltd and its subsidiaries ("the Group") as if they were formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair value at acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control was obtained. They are deconsolidated from the date control ceases.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.6 Going concern**

The Group meets its day to day working capital requirements through its bank balance. The Group's forecasts and projections, taking into account all reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its available bank balance. The COVID-19 pandemic has caused downwards movements in the world equity markets since late February 2020; however, the key financial performance indicators of the Group, being revenue, gross profit and EBITDA, have all increased since that time, along with the AUA of the Group.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity, profitability and regulatory capital, taking account of the impact of the COVID-19 pandemic, the directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

**1.7 Exemptions for qualifying entities**

The Group has not taken advantage of any of the FRS 102 disclosure exemptions available to qualifying entities.

**1.8 Foreign currency**

*i) Functional and presentation currency* - The Group's functional and presentation currency is pound sterling. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

*ii) 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 Consolidated statement of comprehensive income.

Foreign exchange gains and losses, presented in the Consolidated statement of comprehensive income, are within 'Administrative expenses'.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.9 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, and discounts allowed by the Group and value added taxes.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the customer; (b) the Group retains no continuing involvement or control over the service; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of the Group's sales channels have been met, as described below.

*i) Subscription revenue*

The subscription revenue is revenue earned from customers for the provision of the Moneybox service, where the risk and rewards are transferred to the customer over the monthly period. In the event the customer withdraws their balance from Moneybox, effectively no longer using the service, then no revenue is recognised for that revenue month.

*ii) Management fee revenue*

The management fee revenue is revenue earned from a customer balance that is under administration with the Group. The administration services are provided evenly over time and therefore the revenue is calculated daily and then billed monthly. The revenue is recognised as the risk and rewards of the service are passed to the customer.

*iii) Cash administration revenue*

The revenue associated with the provision of cash products to customers is earned on the aggregate of the customer balances that are under administration with the Group. This service is provided evenly and therefore the revenue is calculated daily and then billed monthly.

*iv) Other revenue*

This comprises of revenue relating to the Moneybox+ service and client money interest. Revenue relating to Moneybox+ is only recognised once the underlying product or service has been rendered. The Group records the interest, which it earns managing the client money bank accounts, as revenue once the service has been rendered.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.10 Pension costs**

The Group operates a defined contribution pension plan for employees. The defined contribution plan is a pension plan under which the Group pays fixed contributions into an employee's account with a defined contribution pension provider. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in trade and other payables in the Consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**1.11 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

*i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

*ii) Deferred tax*

Deferred tax arises from timing differences between tax and accounting bases as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date except in certain circumstances. Unutilised tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against deferred tax liabilities or future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.12 Share based payments**

The Group issues equity settled share-based payments to its employees and key contractors. The fair value of the options at the date of grant is charged to profit or loss on a straight-line basis over the vesting period, based on the estimate of options that are expected to vest.

The fair value of the share options has been calculated using the Black-Scholes option pricing model. The weighted fair value of the underlying shares has been estimated by management based on recent transactions, and the expected life has been adjusted, based on management's best estimate, for the effects of restrictions and behavioural considerations.

**1.13 Intangible assets**

Internally generated software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of five years, on a straight-line basis.

Intangible assets are recognised if and only if specific criteria are met in order to demonstrate that the asset will generate future economic benefits and the costs can be reliably measured.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, then the residual value, useful life or amortisation rate are amended to reflect the new circumstances.

Management monitor impairment indicators on an ongoing basis and review the assets for impairment where impairment indicators exist.

**1.14 Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

*i) Property, plant and equipment*

IT equipment and fixtures & fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.14 Tangible assets (continued)**

*ii) Depreciation and residual values*

Depreciation on assets is calculated using the straight-line method, to recognise an expense over their estimated useful lives. The following depreciation rates are used:

- IT Equipment - over 3 years
- Fixtures & fittings - over 5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

*iii) Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

**1.15 Cash and cash equivalents**

The Group only includes cash within this classification.

**1.16 Provisions and contingencies**

*i) Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.16 Provisions and contingencies (continued)**

*ii) Contingencies*

Contingent liabilities are not recognised within the Consolidated statement of financial position. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised within the Consolidated statement of financial position. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

The Group does not have any contingent liabilities or contingent assets.

**1.17 Share capital and reserves**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Called up share capital represents the nominal value of the shares issued. The share premium account includes the premium on the issue of equity, net of any issue costs.

Retained earnings/accumulated losses and distributable reserves represent the cumulative profits or losses, net of dividends paid and other adjustments.

**1.18 Related party transactions**

The Group discloses its related parties and related party transactions as required under FRS102 (refer to note 21 Related party transactions).

**1.19 Operating lease commitments**

Rentals payable under operating leases are charged to the Consolidated statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.



**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**1.20 Financial instruments**

*Financial assets, other than investments and derivatives, are initially measured at the transaction price (including transaction costs) and subsequently held at cost, less any impairment.*

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, excluding convertible debt and derivatives, are initially measured at the transaction price (after deducting transaction costs) and subsequently held at amortised cost.

**1.21 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical areas of judgement**

*Useful economic lives of tangible and intangible assets*

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the tangible assets.

See notes 11 and 12 for the carrying value of the intangible and tangible and notes 1.13 and 1.14 for the useful economic lives for each of the asset classes.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**3 Analysis of revenue**

The revenue and profit before tax are attributable to the principal activities of the Group.

Analysis of revenue by geography:

	<b>2020</b>	<b>2019</b>
	£	£
United Kingdom	2,505,744	1,098,112
	<u>2,505,744</u>	<u>1,098,112</u>

Analysis of revenue by class of business:

	<b>2020</b>	<b>2019</b>
	£	£
Subscription fee	1,302,596	743,337
Management fee	1,017,655	354,381
Cash administration revenue	100,288	-
Other revenue	85,205	394
	<u>2,505,744</u>	<u>1,098,112</u>

**4 Operating loss**

Operating loss is stated after charging:

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		£	£
Staff costs	7	3,319,567	1,384,203
Depreciation of tangible fixed assets	12	56,150	26,492
Amortisation of intangible assets	11	871,897	466,579
Operating lease charges		238,442	119,805
Foreign exchange differences		3,126	4,563

**5 Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	£	£
For the audit of the Group's financial statements	28,000	12,000
For other assurance related services	21,833	12,679
	<u>49,833</u>	<u>24,679</u>

**DIGITAL MONEYBOX LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED 31 MAY 2020**

**6 Other operating income**

	<b>2020</b>	<b>2019</b>
	£	£
Other operating income	672,591	350,707

Other operating income relates to research and development tax credits receivable from Her Majesties Revenue & Customs.

**7 Employees and directors**

**Employees – Group and Company**

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

	<b>2020</b>	<b>2019</b>
<b>By Activity</b>	<b>No.</b>	<b>No.</b>
Selling and distribution	6	3
Administration	77	34
	<u>83</u>	<u>37</u>

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		£	£
Wages and salaries		2,594,395	1,160,045
Social security costs		254,479	132,497
Pension costs	8	200,556	84,192
Other staff costs		270,137	7,469
<b>Staff Costs</b>		<b>3,319,567</b>	<b>1,384,203</b>

During the year, staff costs of £1,836,619 were capitalised to intangible assets (Note 11).

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**7 Employees and directors (continued)**

**Directors – Group and Company**

The directors' emoluments were as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Wages & salaries	227,208	140,945
Social security	29,479	17,115
Pension costs	19,133	8,062
	<u>275,820</u>	<u>166,122</u>

Post-employment benefits are accruing for two directors (2019: 2) under a defined contribution scheme. No directors (2019: nil) were members of defined benefit schemes.

No director has a remuneration greater than £200,000 therefore the Group is taking the exemption under SI 2008/410.

**Key management compensation – Group and Company**

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	<b>2020</b>	<b>2019</b>
	£	£
Wages & salaries	392,042	179,612
Social security	50,159	21,283
Pension costs	39,200	10,262
	<u>481,401</u>	<u>211,157</u>

**8 Post-employment benefits**

The majority of the Group's employees are members of the Group's defined contribution scheme. The Group pays contributions into the scheme and has no further obligations to the employees. The risks associated with this type of plan are assumed by the member. Contributions of £200,556 (2019: £84,192) in respect to the current year are included in the Consolidated statement of comprehensive income. At 31 May 2020, contributions of £41,691 (2019: £14,812) were payable and are included in other payables. The assets of the scheme are held separately from those of the Group in an independently administered fund.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**9 Net interest expense**

	<b>2020</b>	<b>2019</b>
	£	£
Bank interest received	18,260	23,633

**10 Taxation**

**a) Tax expense included in loss**

	<b>2020</b>	<b>2019</b>
	£	£
Current tax:		
UK Corporation Tax on loss	-	-
Adjustment in respect of prior period	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
Deferred tax:		
Accelerated capital allowances	506,932	(1,127)
Losses brought to account	(600,686)	-
Impact of change in tax rate	-	-
<b>Total deferred tax</b>	<b>(93,754)</b>	<b>(1,127)</b>
<b>Total tax expense / (credit) recognised</b>	<b>(93,754)</b>	<b>(1,127)</b>

**b) Reconciliation of effective tax rate**

	<b>2020</b>	<b>2019</b>
	£	£
<b>Loss before tax</b>	<b>(7,897,799)</b>	<b>(5,141,592)</b>
Loss multiplied by the standard rate of tax in the UK of 19%	(1,500,582)	(976,903)
<i>Effects of:</i>		
- Losses not recognised for deferred tax	899,896	976,903
- Deferred tax on accelerated capital allowances	506,932	(1,127)
<b>Total tax expense / (credit) recognised</b>	<b>(93,754)</b>	<b>(1,127)</b>

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**10 Taxation (continued)**

**c) Tax rate changes**

The tax rate for the current year is 19% (2019: 19%), which has been the same rate applied by the Group since the decrease on 1 April 2017. Further reductions to the UK corporation tax rate have been put on hold, given the current economic environment, and so the Group will continue to measure all current and deferred tax balances at the 19% rate until future tax rates are substantially enacted.

**11 Intangible assets**

<b>Group and Company</b>	<b>Software</b>
	£
<i>Cost</i>	
At 1 June 2019	2,833,427
Additions	1,949,476
Disposals	(212,444)
<b>At 31 May 2020</b>	<b>4,570,459</b>
<i>Amortisation</i>	
At 1 June 2019	(924,761)
Disposals	212,333
Provision for year	(871,897)
<b>At 31 May 2020</b>	<b>(1,584,325)</b>
<i>Net book value</i>	
At 1 June 2019	1,908,666
<b>At 31 May 2020</b>	<b>2,986,134</b>

The amortisation charge in the year has been charged through administrative expenses.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**12 Tangible assets**

<b>Group and Company</b>	<b>IT Equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	£	£	£
<i>Cost</i>			
At 1 June 2019	81,452	46,323	127,775
Additions	122,346	27,801	150,147
Disposals	(13,035)	(154)	(13,189)
<b>At 31 May 2020</b>	<b>190,763</b>	<b>73,970</b>	<b>264,733</b>
<i>Depreciation</i>			
At 1 June 2019	(31,020)	(7,721)	(38,741)
Disposals	4,344	1,183	5,527
Charge for year	(43,008)	(13,142)	(56,150)
<b>At 31 May 2020</b>	<b>(69,684)</b>	<b>(19,680)</b>	<b>(89,364)</b>
<i>Net book value</i>			
At 1 June 2019	50,432	38,602	89,034
<b>At 31 May 2020</b>	<b>121,079</b>	<b>54,290</b>	<b>175,369</b>

The depreciation charge in the year has been charged through administrative expenses.

**13 Trade and other receivables**

<b>Group and Company</b>	<b>2020</b>	<b>2019</b>
	£	£
Other receivables	26,235	7,684
Accrued income	288,095	151,916
Prepayments	651,451	182,238
Tax receivable	669,902	845,530
	<b>1,635,683</b>	<b>1,187,368</b>

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**14 Trade and other payables: amounts falling due within one year**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	£	£	£	£
Trade payables	(119,171)	(121,122)	(119,171)	(121,122)
VAT liability	(20,033)	-	(20,033)	-
Social security	(174,096)	(64,280)	(174,096)	(64,280)
Other payables	(63,285)	(49,118)	(63,295)	(49,118)
Accruals and deferred income	(659,055)	(257,672)	(659,055)	(257,672)
	<b>(1,035,640)</b>	<b>(492,192)</b>	<b>(1,035,650)</b>	<b>(492,192)</b>

**15 Deferred tax**

<b>Group and Company</b>	<b>2020</b>	<b>2019</b>
	£	£
Deferred tax asset	600,686	-
Deferred tax liability	<u>(600,686)</u>	<u>(93,754)</u>
	-	(93,754)

Deferred tax liabilities are recognised on tangible and intangible fixed assets, as accelerated capital allowances lead to timing differences between tax and accounting bases. The Group has brought to account brought forward tax losses to recognise a deferred tax asset to the extent that it eliminates the deferred tax liability in the current year. There are further unused tax losses that have not been recognised as an asset in the current year as management's assessment is that the criteria required for a net deferred tax asset to be recognised has not yet been met.

**16 Share capital**

<b>Allotted and fully paid</b>	<b>No.</b>	<b>£</b>
At 1 June 2019 (Restated)	2,889,012	29
Issued during the year	273,750	3
<b>At 31 May 2020</b>	<b>3,162,762</b>	<b>32</b>

Ordinary shares of £0.00001 each.

There are seven classes of ordinary shares. There are no restrictions on the distribution of dividends. Whilst there is an order preference by share class there are no restrictions on the repayment of capital.



**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**16 Share capital (continued)**

On 10 March 2020 160,530 preferred ordinary C-1 shares and 87,377 preferred ordinary C-2 shares were issued for £35.04. There were expenses of £270,834 on the issue of the shares.

Throughout the year share options were exercised, all with an exercise price of £0.01 per share, resulting in the issue of 9,525 ordinary shares.

Throughout the year 16,318 ordinary shares were issued at nominal as part of the Group's pension reward share programme.

**17 Reserves**

*Share premium*

Considerations for shares issued above their nominal value net of transaction costs.

*Retained earnings*

Cumulative profit and losses net of distributions to shareholders.

*Share based payment reserve*

Cumulative share based payment expense.

*Distributable reserves*

Fully distributable reserves arising from capital restructuring.

**18 Share based payments**

Digital Moneybox Limited operates an equity-settled share-based remuneration EMI scheme for employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. The vesting period for all options is 3 years.

To measure the fair value at grant date the Black-Scholes option pricing model has been used. The inputs into the pricing model are:

	2020	2019
Weighted average share price	£4.01	£3.58
Weighted average exercise price	£0.01	£0.01
Expected volatility	65.82%	37.37%
Expected life	3.60 years	3.45 years
Risk free rate	0.52%	0.52%
Expected dividends	Nil	Nil

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**18 Share based payments (continued)**

The weighted average share price was determined through utilising recent equity transactions adjusted for share class restrictions. The expected volatility was estimated using the historical volatility of the share prices on similar listed UK entities. The expected life used in the pricing model was adjusted, based on management's best estimate, for the effect of restrictions and behavioural considerations.

	Options Number	2020 Weighted average exercise price (£)	Options Number	2019 Weighted average exercise price (£)
Granted during the year	52,483	£0.01	33,910	£0.01
Exercised	9,525		14,536	
Lapsed	Nil		Nil	
Forfeited	6,693		13,299	
Outstanding at 31 May	115,949	£0.01	79,684	£0.01
Exercisable at 31 May	21,019	£0.01	37,353	£0.01

The exercise price of options outstanding at 31 May 2020 is £0.01 (2019: £0.01), with a weighted average remaining contractual life of 2 years (2019: 2 years). The weighted average fair value of options granted in the year using the Black-Scholes option pricing model was £4.01 per option (2019: £3.57 per option).

**19 Notes to the Consolidated statement of cash flows**

	2020 £	2019 £
<b>Loss for the year</b>	<b>(7,804,045)</b>	<b>(5,141,592)</b>
Amortisation of intangible assets	871,897	466,579
Depreciation of tangible assets	56,150	27,912
Share-based payment charge	92,201	28,611
Loss on disposal	7,774	-
Tax credit	(93,754)	-
Working capital movements:		
- (Increase)/decrease in receivables	(448,315)	(405,456)
- Increase/(decrease) in payables	478,827	185,997
<b>Cash flow from operating activities</b>	<b>(6,839,265)</b>	<b>(4,837,949)</b>

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**20 Operating lease commitments**

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payment due	2020	2019
Not later than one year	195,545	99,703
Later than one year and not later than five years	888	5,905
Later than five years	-	-
	196,433	105,608

**21 Related party transactions**

During the year, the Group bought £2,241 (2019: £37,966) of goods from Bloom & Wild Ltd and received £22,113 (2019: £nil) in customer commission relating to Moneybox+ purchases. Mr Stanway, a director the Group, is a director and shareholder in Bloom & Wild. The year-end outstanding balance was £nil (2019: £730).

See note 7 for disclosure of the directors' remuneration and key management compensation.

**22 Ultimate controlling party**

There is no ultimate controlling party, no individual shareholder is a person of significant control.

**23 Pillar 3 disclosure**

The pillar 3 disclosure can be found at <http://www.moneyboxapp.com/regulatory>

**24 Country by country reporting**

As an investment firm within the scope of the CRD IV, the Group must report certain information about its business on a country by country basis, known as Country by Country Reporting (CBCR). Article 89 of the Capital Requirements Regulation 2013 (CRR) imposes the ongoing CBCR reporting obligations on institutions in the United Kingdom within the scope of CRD IV.

The information contained within this disclosure is based on the financial statements of the Group and reflects the data as at 31 May 2020.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**24 Country by country reporting (continued)**

Country: UK

	2020	2019
Average number of employees	83	37
Net revenue (£)	2,505,744	1,098,112
Loss before tax (£)	(7,897,799)	(5,142,719)
Corporation tax (£)	-	-
Government subsidies received (£)	-	-

**25 Events after the end of the reporting period**

On 9 July 2020 the second tranche of the Series C fundraise completed, resulting in 5,076 preferred ordinary C-2 shares being issued at a price of £35.04 per share.

On 13 July 2020 the members of the Group passed a special resolution to repurchase 144 shares at a nominal value of £0.00001, an aggregate repurchase of £0.00144.

On 13 July 2020 the members of the Group passed a special resolution to perform a capital restructure to replace every old share with a nominal of £0.00001 with 10 new shares with a nominal of £0.000001.

On 13 July 2020 the members of the Group passed a special resolution to transfer £8,434,805 of share premium from the C-1 and C-2 share classes to a distributable reserve account.

On 24 July 2020 the third tranche of the Series C fundraise completed, resulting in 2,247,420 preferred ordinary C-1 shares being issued at a price of £3.504 per share.

On 11 September 2020 the Group completed its crowdfund campaign raising £7,074,588, resulting in 2,018,831 ordinary shares being issued at a price of £3.504 per share.

**DIGITAL MONEYBOX LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2020**

**26 Fixed asset investments**

Company	2020	2019
	£	£
Opening cost	-	-
Additions	10	-
Disposals	-	-
Impairment	-	-
Closing cost	10	-

The fixed asset investment relates to the investment in Moneybox Share Nominee Ltd, a 100% owned subsidiary with registered office and principal place of business 1.07, 1-2 Hatfields, London, United Kingdom, SE1 9PG. The principal activity of the subsidiary is the administration of the employee share option scheme and the results of the subsidiary for the year ended 31 May 2020 are included in the consolidated results of the Group. The subsidiary is exempt from audit by virtue of s479A of the Companies Act 2006.

**DIGITAL MONEYBOX LTD**  
**PARENT STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED 31 MAY 2020**

		2020	2019
		£	£
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	12	175,369	89,034
Intangible assets	11	2,986,134	1,908,666
Fixed asset investments	26	10	-
		3,161,513	1,997,700
<b>Current assets</b>			
Trade and other receivables	13	1,635,683	1,187,368
Cash and cash equivalents		8,427,663	8,886,104
		10,063,346	10,073,472
<b>Total assets</b>		13,224,859	12,071,172
<b>Current liabilities</b>			
Trade and other payables	14	(1,035,650)	(492,192)
		(1,035,650)	(492,192)
<b>Non-current liabilities</b>			
Deferred tax liabilities	15	-	(93,754)
		-	(93,754)
<b>Total liabilities</b>		(1,035,650)	(585,946)
<b>Net assets</b>		12,189,209	11,485,226
<b>Equity</b>			
Ordinary shares	16	32	29
Share premium	17	8,415,919	21,335,340
Share based payment reserve	18	106,144	33,023
Distributable reserves	17	21,335,471	-
Retained earnings	17	(17,668,357)	(9,883,166)
<b>Total equity</b>		12,189,209	11,485,226

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss for the year ended 31 May 2020 amounted to £7,785,191 (2019: £5,132,420).