COMPANY REGISTRATION NUMBER 09597755

DIGITAL MONEYBOX LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

DIGITAL MONEYBOX LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2022

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DIGITAL MONEYBOX LIMITED

DIRECTORS AND ADVISORS

YEAR ENDED 31 MAY 2022

B Stanway	Director
C Mortimer	Director
L Powers-Freeling	Non-Executive Director (appointed 2nd December 2021)
D Godfrey	Non-Executive Director
A Advani	Non-Executive Director
J Denais	Non-Executive Director
K Kerrigan	Company Secretary
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
Auditors:	KPMG LLP, 15 Canada Square, London, E14 5GL

DIGITAL MONEYBOX LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MAY 2022

The directors present the Strategic report of Digital Moneybox Limited ("the Company") and its subsidiaries, as detailed in note 27, (together "the Group") for the year ended 31 May 2022.

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 various Savings notice accounts, as well as offering mortgage broking services.

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.

In March 2022, the Group completed its Series D funding round, raising £35m. The Group also completed its crowdfund campaign, raising a further £6m in June 2022.

Business review

The results for the year ended 31 May 2022 are set out in the Consolidated statement of comprehensive income.

Group revenues increased by 101% to £10,150,134 (2021: £5,045,319). Gross profit was £8,471,743 (2021: £3,754,599), with gross margin increasing to 83% (2021: 74%). EBITDA losses were £14,424,544 (2021: £9,902,598). EBITDA losses have widened from the prior year, predominantly due to increased marketing activity, product development and growth of headcount.

At 31 May 2022, the Group had AUA of £3.22bn (2021: £1.99bn), increasing 62% in the year. The Group's customer base increased by 32% to 860,680 (2021: 653,622).

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 include the continuity of the underlying technology and systems infrastructure, as well as 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.

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 principle 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 is 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. For investment and pension products, revenue is generated, billed and settled directly from customer balances and therefore the Group does not hold any credit risk directly with customers relating to these revenue streams. For savings products, revenue is billed to partner banks and so there is some degree of credit risk associated. There is also some credit risk associated with liquid funds held by the Group's corporate banking partners. However, to address both of these, extensive due diligence is performed at the point of entering into an agreement with any partner bank and there is ongoing monitoring of existing partner banks to reduce any credit risk to the Group.

Macroeconomic risk

The cost-of-living crisis and ongoing conflict in Ukraine have caused increased volatility in the world equity markets during 2022; however, the key financial performance indicators of the Group, being revenue and gross profit, have both increased since that time, along with the AUA of the Group.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity and profitability to factor in the impact of further macroeconomic decline, the directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future.

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. 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 21st September 2022.

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B Stanway
Director

DIGITAL MONEYBOX LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MAY 2022

The directors present their report and the audited financial statements of the Group for the year ended 31 May 2022.

Results and dividends

The loss for the year, after taxation and other comprehensive income, amounted to £14,929,427 (2021: £10,197,157). No dividends were declared or paid during the year (2021: £nil).

Political donations

The Group has not made any political donations in the financial year (2021: £nil).

Charitable donations

The Group has made charitable donations within the financial year amounting to £5,000 (2021: £5,000).

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 competitive in the 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
L Powers-Freeling (appointed 2nd December 2021)
D Godfrey
A Advani
J Denais

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.

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 management

Refer to the Strategic report for further details.

Post balance sheet events

Since 31 May 2022, 40,308 preferred ordinary D shares have been issued as part of the second completion of the Series D fundraise, along with 1,056,618 ordinary shares for the Crowdfund raise, both at a price of £5.58 per share.

9,231 ordinary shares have been issued at nominal as part of the Group's pension reward share programme and employee share options were exercised, resulting in 78,958 ordinary shares being issued.

Auditor

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

DIGITAL MONEYBOX LIMITED

STATEMENT OF DIRECTORS' RESPONSIBLITIES

FOR THE YEAR ENDED 31 MAY 2022

The directors are responsible for preparing the annual report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the directors on 21st September 2022.

DocuSigned by:

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B Stanway
Director

DIGITAL MONEYBOX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MONEYBOX LIMITED

YEAR ENDED 31 MAY 2022

Opinion

We have audited the financial statements of Digital Moneybox Limited ("the Company") for the year ended 31 May 2022 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Parent statement of financial position, Parent statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 May 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.

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

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post-closing journals.

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

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

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

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

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

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and financial services legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they 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

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

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

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

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

K Racinska

Kamilla Racinska (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
22 September 2022

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 £	2021 £
Revenue	3	10,150,134	5,045,319
Cost of sales		(1,678,391)	(1,290,720)
Gross profit		8,471,743	3,754,599
Distribution costs		(6,584,049)	(4,639,670)
Administrative expenses		(18,587,660)	(10,383,333)
Other operating income	6	1,661,758	1,062,910
Loss before interest and taxation		(15,038,208)	(10,205,494)
Interest receivable	9	1,365	7,455
Loss before tax		(15,036,843)	(10,198,039)
Tax credit/(expense)	10	-	-
Loss for the year		(15,036,843)	(10,198,039)
Share based payments		107,416	882
Total comprehensive income for the year		(14,929,427)	(10,197,157)

All activities of the Group are classed as continuing.

The notes on pages 17 to 40 form part of these financial statements.

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 £	2021 £
Non-current assets			
Property, plant and equipment	12	731,975	577,254
Intangible assets	11	8,651,594	5,180,486
		9,383,569	5,757,740
Current assets			
Trade and other receivables	13	5,889,992	3,346,228
Cash and cash equivalents		40,474,368	25,481,932
		46,364,360	28,828,160
Total assets		55,747,929	34,585,900
Current liabilities			
Trade and other payables	15	(4,157,540)	(2,669,356)
		(4,157,540)	(2,669,356)
Total liabilities		(4,157,540)	(2,669,356)
Net assets		51,590,389	31,916,544
Equity			
Ordinary shares	17	47	40
Share premium	18	34,078,871	-
Share based payment reserve	19	884,490	360,096
Distributable reserves	18	59,421,922	59,421,922
Retained earnings	18	(42,794,941)	(27,865,514)
Total equity		51,590,389	31,916,544

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 40 form part of these financial statements.

The accounts were approved by the directors and authorised for issue on 21st September 2022, and are signed on their behalf by:

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B Stanway
Director

Company registration number: 09597755

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2022

	Note	Called-up share capital	Share premium	Share based payment reserve	Distributable reserves	Retained earnings	Total equity
Balance at 1 June 2020	**18**	**32**	**8,415,919**	**106,144**	**21,335,471**	**(17,668,357)**	**12,189,209**
Transfers		**-**	**(38,086,451)**	**-**	**38,086,451**	**-**	**-**
Loss for the year		-	-	-	-	(10,198,039)	(10,198,039)
Other comprehensive income		-	-	(882)	-	882	-
Total comprehensive income for the year		**-**	**-**	**(882)**	**-**	**(10,197,157)**	**(10,198,039)**
Share based payments		-	-	254,834	-	-	254,834
Proceeds from shares issued		8	29,670,532	-	-	-	29,670,540
Total transactions with owners, recognised directly in equity		**8**	**29,670,532**	**254,834**	**-**	**-**	**29,925,374**
Balance at 31 May 2021	**18**	**40**	**-**	**360,096**	**59,421,922**	**(27,865,514)**	**31,916,544**
Balance at 1 June 2021	**18**	**40**	**-**	**360,096**	**59,421,922**	**(27,865,514)**	**31,916,544**
Transfers		**-**	**-**	**-**	**-**	**-**	**-**
Loss for the year		-	-	-	-	(15,036,843)	(15,036,843)
Other comprehensive income		-	-	(107,416)	-	107,416	-
Total comprehensive income for the year		**-**	**-**	**(107,416)**	**-**	**(14,929,427)**	**(15,036,843)**
Share based payments		-	-	631,810	-	-	631,810
Proceeds from shares issued		7	34,078,871	-	-	-	34,078,878
Total transactions with owners, recognised directly in equity		**7**	**34,078,871**	**631,810**	**-**	**-**	**34,710,689**
Balance at 31 May 2022	**18**	**47**	**34,078,871**	**884,490**	**59,421,922**	**(42,794,941)**	**51,590,389**

The notes on pages 17 to 40 form part of these financial statements.

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 £	2021 £
Net cash used in operating activities	20	(13,181,808)	(8,655,244)
Cash flow from investing activities			
Purchase of intangible assets	11	(5,484,750)	(3,422,876)
Purchase of tangible assets	12	(419,884)	(496,031)
Net cash used in investing activities		(5,904,634)	(3,918,907)
Cash flow from financing activities			
Proceeds from issue of share capital		34,407,856	30,085,487
Payment of transaction costs		(328,978)	(457,067)
Net cash from financing activities		34,078,878	29,628,420
Net increase / (decrease) in cash and cash equivalents		14,992,436	17,054,269
Cash and cash equivalents at the beginning of the year		25,481,932	8,427,663
Cash and cash equivalents at the end of the year		40,474,368	25,481,932

The notes on pages 17 to 40 form part of these financial statements.

DIGITAL MONEYBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2022

1. Accounting policies

1.1 General information

Digital Moneybox Limited and its subsidiaries ("the Group") own, develop, and operate a mobile application platform that allows individuals to open tax-efficient accounts to enable investments in simple tracker funds, cash and pension products, as well as offering in-app mortgage broking services.

Digital Moneybox Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. 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 the 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

Consolidation is on the basis of control. Control is established when the Company has the power to govern the operating and financial policies of an entity as to obtain benefits from its activities. The consolidated financial statements incorporate the assets and liabilities and results for the year ended 31 May 2022 of Digital Moneybox Limited, Moneybox Share Nominee Ltd, Moneybox Mortgages Ltd, Moneybox Employee Share Nominee Ltd and Moneybox Pension Trustee Ltd. Intercompany transactions and balances between group companies are eliminated in full. Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

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 both the Group and parent company will be able to operate within the level of the available bank balance. The cost-of-living crisis and ongoing conflict in Ukraine have caused fluctuations in the world equity markets during the financial year; however, the key financial performance indicators of the Group, being revenue and gross profit, have both increased during the year, along with the AUA of the Group.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity and profitability to factor in the impact of further macroeconomic decline, the directors are satisfied that both the Group and parent company have adequate resources to continue to operate for a period of at least 12 months following the signing of these financial statements. The Group and parent company therefore continue to adopt the going concern basis in preparing the financial statements.

1.7 Exemptions for qualifying entities

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 and 1.12. The parent company has elected to apply the exemption to present its own Statement of cash flows and related notes.

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'.

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 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.

v) Mortgages revenue

This relates to revenue recognised for in-app mortgage broking services and is recognised based on the completion date of the transaction.

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.

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

Intangible assets relate to the development of the mobile application and platform and are stated at cost less accumulated amortisation and accumulated impairment losses. They are amortised over their estimated useful life, of five years, on a straight-line basis.

Expenditure on development activities may be capitalised if the asset is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalised includes the cost of direct labour, including social security and pension costs.

Other development expenditure is recognised in the profit and loss account as an expense as incurred.

Where factors, such as technological advancement or changes in market price, indicate that the carrying value or useful life have changed, then these 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. Where impairment is identified, an impairment loss is recognised within the profit and loss account for the year.

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.

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.

1.16 Provisions and contingencies (continued)

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.

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 represent the cumulative profits or losses, net of dividends paid and other adjustments. Distributable reserves arise from capital restructures.

1.18 Related party transactions

The Group discloses its related parties and related party transactions as required under FRS102 (refer to note 22 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.

1.20 Financial instruments

Basic financial assets, including trade and other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired an impairment loss is calculated, representing the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of ownership of the asset are transferred to another party or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities including trade and other creditors are initially recognised at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

1.22 R&D tax credits

As per the provisions of 24.3A of the accounting framework we have chosen to account for R&D tax credits as a government grant and do not recognise a credit in this regard until there is reasonable assurance that these amounts will be received.

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.

Major sources of estimation in applying the Group's accounting policies

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.

Share based payment valuation

The fair value of share options involves judgment applied by management. The fair value is initially measured at grant date and is calculated using the Black-Scholes option pricing model. The fair value is estimated using the recent equity transactions as a benchmark, adjusted for the effects of restrictions and behavioural considerations. The fair value of each option is spread over the vesting period of that option and recognised as an expense in the profit and loss account.

Key accounting judgements in applying the Group's accounting policies

Capitalisation of development costs

The capitalisation of development costs are monitored on an ongoing basis and reviewed on an annual basis. They are determined by management and are based on the time spent developing the app and platform. Project costs are capitalised once the Group is satisfied that the project is technically and commercially feasible and the costs can be measured reliably.

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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MAY 2022

3 Analysis of revenue

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

Analysis of revenue by geography:

	2022	2021
	£	£
United Kingdom	10,150,134	5,045,319
	10,150,134	5,045,319

Analysis of revenue by class of business:

	2022	2021
	£	£
Investing	5,333,254	3,313,773
Savings	3,141,182	973,024
Retirement	1,116,573	549,341
Mortgage Broking	515,885	2,409
Other Revenue	43,240	206,772
	10,150,134	5,045,319

4 Operating loss

Operating loss is stated after charging:

	Note	2022	2021
		£	£
Staff costs	7	10,515,449	6,107,029
Depreciation of tangible fixed assets	12	261,780	109,697
Amortisation of intangible assets	11	2,013,642	1,253,324
Operating lease charges		561,148	575,411
Foreign exchange differences		12,697	295

5 Auditor's remuneration

	2022	2021
	£	£
For the audit of the Group's financial statements	95,000	40,000
For other assurance related services	126,333	31,333
	221,333	71,333

6 Other operating income

	2022	2021
	£	£
Other operating income	1,661,758	1,062,910

Other operating income relates to research and development tax credits receivable from Her Majesties Revenue & Customs. The amount of expenditure relating to research and development recognised in the Consolidated statement of comprehensive income for the year was £780,774.

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:

	2022	2021
By Activity	No.	No.
Selling and distribution	15	8
Administration	252	162
	267	170

	Note	2022	2021
		£	£
Wages and salaries		8,081,569	4,661,282
Social security costs		905,560	524,780
Pension costs	8	740,115	403,233
Other staff costs		788,205	517,734
		10,515,449	6,107,029

During the year, staff costs of £5,451,782 were capitalised to intangible assets (Note 11).

7 Employees and directors (continued)

Directors – Group and Company

The directors' emoluments were as follows:

	2022	2021
	£	£
Wages & salaries	356,216	287,719
Social security	48,254	39,368
Pension costs	24,000	24,229
	428,470	351,316

Post-employment benefits are accruing for two directors (2021: 2) under a defined contribution scheme. No directors (2021: 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:

	2022	2021
	£	£
Wages & salaries	743,612	527,786
Social security	103,203	73,593
Pension costs	79,232	61,062
	926,047	662,441

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 £740,115 (2021: £403,233) in respect to the current year are included in the Consolidated statement of comprehensive income. At 31 May 2022, contributions of £136,841 (2021: £75,763) 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.

9 Net interest expense

	2022	2021
	£	£
Bank interest received	1,365	7,455

10 Taxation

a) Tax expense included in loss

	2022	2021
	£	£
Current tax:		
UK Corporation Tax on loss	-	-
Adjustment in respect of prior period	-	-
Total current tax	-	-
Deferred tax:		
Accelerated capital allowances	324,131	838,749
Losses brought to account	(324,131)	(838,749)
Impact of change in tax rate	-	-
Total deferred tax	-	-
Total tax expense / (credit) recognised	-	-

b) Reconciliation of effective tax rate

	2022	2021
	£	£
Loss before tax	(15,036,843)	(10,198,039)
Loss multiplied by the standard rate of tax in the UK of 19%	(2,857,000)	(1,937,627)
Effects of:		
- Losses not recognised for deferred tax	2,532,869	1,098,878
- Deferred tax on accelerated capital allowances	324,131	838,749
Total tax expense / (credit) recognised	-	-

10 Taxation (continued)

c) Tax rate changes

The tax rate for the current year is 19% (2021: 19%), which has been the same rate applied by the Group since the decrease on 1 April 2017. The Finance Bill 2021, which was substantially enacted prior to 31 May 2021, announced an increase in the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. Given the deferred tax balances are expected to unwind after 1 April 2023, the deferred tax balances have been calculated at the 25% rate.

11 Intangible assets

Group and Company	**Software**
	£
Cost	
At 1 June 2021	8,018,135
Additions	5,484,750
Disposals	-
At 31 May 2022	13,502,885
Amortisation	
At 1 June 2021	(2,837,649)
Disposals	-
Charge for year	(2,013,642)
At 31 May 2022	(4,851,291)
Net book value	
At 1 June 2021	5,180,486
At 31 May 2022	**8,651,594**

The amortisation charge in the year has been charged through administrative expenses. No impairment has been identified for the year ended 31 May 2022.

12 Tangible assets

Group	IT Equipment	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 June 2021	387,397	384,483	771,880
Additions	298,357	121,527	419,884
Disposals	(13,470)	-	(13,470)
At 31 May 2022	672,284	506,010	1,178,294
Depreciation			
At 1 June 2021	(159,606)	(35,020)	(194,626)
Disposals	10,087	-	10,087
Charge for year	(171,248)	(90,532)	(261,780)
At 31 May 2022	(320,767)	(125,552)	(446,319)
Net book value			
At 1 June 2021	227,791	349,463	577,254
At 31 May 2022	**351,517**	**380,458**	**731,975**

DIGITAL MONEYBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MAY 2022

12 Tangible assets (continued)

Company	IT Equipment	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 June 2021	372,001	384,483	756,484
Additions	298,357	121,527	419,884
Disposals	(29,132)	-	(29,132)
At 31 May 2022	641,226	506,010	1,147,236
Depreciation			
At 1 June 2021	(157,925)	(35,020)	(192,945)
Disposals	10,087	-	10,087
Charge for year	(164,194)	(90,532)	(254,726)
At 31 May 2022	(312,032)	(125,552)	(437,584)
Net book value			
At 1 June 2021	214,076	349,463	563,538
At 31 May 2022	**329,194**	**380,458**	**709,652**

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

13 Trade and other receivables

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Trade receivables	198,908	43,592	169,617	43,592
Accrued income	1,674,566	967,462	1,635,545	966,805
Prepayments	1,290,202	1,270,817	1,276,398	1,269,472
Tax receivable	2,726,316	1,064,357	2,726,315	1,064,357
Amount due from subsidiary	-	-	505,880	138,385
	5,889,992	3,346,228	6,313,755	3,482,611

14 Amount due from subsidiary: due in greater than one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Amount due from subsidiary	-	-	1,000,000	379,781
	-	-	1,000,000	379,781

15 Trade and other payables: amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Trade payables	(1,005,309)	(593,956)	(866,587)	(593,956)
VAT liability	(57,319)	(45,711)	(57,319)	(45,711)
Social security	(523,781)	(323,770)	(483,995)	(301,735)
Other payables	(163,095)	(99,945)	(152,891)	(94,502)
Accruals	(2,408,036)	(1,605,974)	(2,368,739)	(1,584,467)
	(4,157,540)	(2,669,356)	(3,929,531)	(2,620,371)

16 Deferred tax

Group and Company	2022	2021
	£	£
Deferred tax asset	1,763,566	1,439,435
Deferred tax liability	(1,763,566)	(1,439,435)
	-	-

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.

17 Share capital

Allotted and fully paid	No.	£
At 1 June 2021	40,248,779	40
Issued during the year	6,367,345	7
At 31 May 2022	**46,616,124**	**47**

Ordinary shares of £0.000001 each.

There are eight 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.

On 25 March 2022, the Company completed its Series D fundraise, resulting in 6,155,386 preferred ordinary D shares being issued at a price of £5.58 per share.

Throughout the year share options were exercised, resulting in the issue of 204,479 ordinary shares.

Throughout the year, 7,480 ordinary shares were issued at nominal as part of the Group's pension reward share programme.

18 Reserves

Share premium
Consideration 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.

19 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:

	2022	2021
Weighted average share price	£1.03	£0.88
Weighted average exercise price	£0.15	£0.42
Expected volatility	38.19%	43.76%
Expected life	8.61 years	3.56 years
Risk free rate	0.58%	0.31%
Expected dividends	Nil	Nil

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	2022 Weighted average exercise price (£)	Options Number	2021 Weighted average exercise price (£)
Granted during the year	1,135,701	£0.26	619,390	£0.42
Exercised	204,479		247	
Lapsed	Nil		Nil	
Forfeited	101,761		51,131	
Outstanding at 31 May	2,578,341	£0.15	1,755,260	£0.16
Exercisable at 31 May	716,910	£0.05	957,590	£0.24

The exercise price of options outstanding at 31 May 2022 is £0.15 (2021: £0.16), with a weighted average remaining contractual life of 2 years (2021: 2 years). The weighted average fair value of options granted in the year using the Black-Scholes option pricing model was £1.03 per option (2021: £0.88 per option).

DIGITAL MONEYBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MAY 2022

20 Notes to the Consolidated statement of cash flows

	2022	2021
	£	£
Loss for the year	(15,036,843)	(10,198,039)
Amortisation of intangible assets	2,013,642	1,253,324
Depreciation of tangible assets	261,780	109,697
Share-based payment charge	631,810	254,834
Loss on disposal	3,383	1,769
Tax credit/(expense)	-	-
Working capital movements:		
- (Increase)/decrease in receivables	(2,543,764)	(1,710,545)
- Increase/(decrease) in payables	1,488,184	1,633,716
Cash flow from operating activities	(13,181,808)	(8,655,244)

21 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	2022	2021
Not later than one year	177,546	581,689
Later than one year and not later than five years	456	177,631
Later than five year	-	-
	178,002	759,320

22 Related party transactions

During the year, the Group bought £6,895 (2021: £5,229) of goods from Bloom & Wild Ltd and received £8,300 (2021: £18,050) in customer commission relating to Moneybox+ purchases. Mr Stanway, a director of the Company, was previously a director of Bloom & Wild Ltd. The outstanding balance due as at 31 May 2022 was £1,150 (2021: £1,526).

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

23 Ultimate controlling party

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

24 ICARA disclosure

The ICARA disclosure can be found at http://www.moneyboxapp.com/regulatory

25 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 2022.

Country: UK

	2022	**2021**
Average number of employees	267	170
Net revenue (£)	10,150,134	5,045,319
Loss before tax (£)	(15,036,843)	(10,198,039)
Corporation tax (£)	-	-
Government subsidies received (£)	-	-

26 Events after the end of the reporting period

Since 31 May 2022, 40,308 preferred ordinary D shares have been issued as part of the second completion of the Series D fundraise, along with 1,056,618 ordinary shares for the Crowdfund raise, both at a price of £5.58 per share.

9,231 ordinary shares have been issued at nominal as part of the Group's pension reward share programme and employee share options were exercised, resulting in 78,958 ordinary shares being issued.

27 Fixed asset investments

Company	**2022**	**2021**
	£	£
Opening cost	20	10
Additions	20	10
Disposals	-	-
Impairment	-	-
Closing cost	40	20

The fixed asset investment relates to the investments in Moneybox Share Nominee Ltd, Moneybox Mortgages Ltd, Moneybox Employee Share Nominee Ltd and Moneybox Pension Trustee Ltd, all 100% owned subsidiaries with registered office and principal place of business 1.07, 1-2 Hatfields, London, United Kingdom, SE1 9PG. The principal activity of Moneybox Share Nominee Ltd is the administration of the reward share scheme and the principal activity of Moneybox Mortgages Ltd is the provision of mortgage brokering services. Moneybox Employee Share Nominee Ltd and Moneybox Pension Trustee Ltd were both dormant for the year ended 31 May 2022 and therefore had no principal activity. The results of the subsidiaries for the year ended 31 May 2022 are included in the consolidated results of the Group. The subsidiaries are exempt from audit by virtue of s479A of the Companies Act 2006.

DIGITAL MONEYBOX LIMITED

PARENT STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 MAY 2022

	Note	2022 £	2021 £
Non-current assets			
Property, plant and equipment	12	709,652	563,538
Intangible assets	11	8,651,594	5,180,486
Fixed asset investments	27	40	20
Amount due from subsidiary		1,000,000	379,781
		10,361,286	6,123,825
Current assets			
Trade and other receivables	13	6,313,755	3,482,611
Cash and cash equivalents		40,430,241	25,411,567
		46,743,996	28,894,178
Total assets		57,105,282	35,018,003
Current liabilities			
Trade and other payables	15	(3,929,531)	(2,620,371)
		(3,929,531)	(2,620,371)
Non-current liabilities			
Deferred tax liabilities	16	-	-
		-	-
Total liabilities		(3,929,531)	(2,620,371)
Net assets		53,175,751	32,397,632
Equity			
Ordinary shares	17	47	40
Share premium	18	34,078,871	-
Share based payment reserve	19	884,490	360,096
Distributable reserves	18	59,421,922	59,421,922
Retained earnings	18	(41,209,579)	(27,384,426)
Total equity		53,175,751	32,397,632

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 2022 amounted to £13,932,569 (2021: £9,716,951).

DIGITAL MONEYBOX LIMITED

PARENT STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MAY 2022

	Note	Called-up share capital	Share premium	Share based payment reserve	Distributable reserves	Retained earnings	Total equity
Balance at 1 June 2020	**18**	**32**	**8,415,919**	**106,144**	**21,335,471**	**(17,668,357)**	**12,189,209**
Transfers		**-**	**(38,086,451)**	**-**	**38,086,451**	**-**	**-**
Loss for the year		-	-	-	-	(9,716,951)	(9,716,951)
Other comprehensive income		-	-	(882)	-	882	-
Total comprehensive income for the year		**-**	**-**	**(882)**	**-**	**(9,716,069)**	**(9,716,951)**
Share based payments		-	-	254,834	-	-	254,834
Proceeds from shares issued		8	29,670,532	-	-	-	29,670,540
Total transactions with owners, recognised directly in equity		**8**	**29,670,532**	**254,834**	**-**	**-**	**29,925,374**
Balance at 31 May 2021	**18**	**40**	**-**	**360,096**	**59,421,922**	**(27,384,426)**	**32,397,632**
Balance at 1 June 2021	**18**	**40**	**-**	**360,096**	**59,421,922**	**(27,384,426)**	**32,397,632**
Transfers		**-**	**-**	**-**	**-**	**-**	**-**
Loss for the year		-	-	-	-	(13,932,569)	(13,932,569)
Other comprehensive income		-	-	(107,416)	-	107,416	-
Total comprehensive income for the year		**-**	**-**	**(107,416)**	**-**	**(13,825,153)**	**(13,932,569)**
Share based payments		-	-	631,810	-	-	631,810
Proceeds from shares issued		7	34,078,871	-	-	-	34,078,878
Total transactions with owners, recognised directly in equity		**7**	**34,078,871**	**631,810**	**-**	**-**	**34,710,688**
Balance at 31 May 2022	**18**	**47**	**34,078,871**	**884,490**	**59,421,922**	**(41,209,579)**	**53,175,751**