

Company number: 09597755

DIGITAL MONEYBOX LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

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DIGITAL MONEYBOX LIMITED

COMPANY INFORMATION

DIRECTORS	A Advani J Marsden C Mortimer L Powers-Freeling B Stanway
SECRETARY	K Kerrigan
COMPANY NUMBER	09597755
REGISTERED OFFICE	Suite 1.07 1-2 Hatfields London SE1 9PG
AUDITOR	KPMG LLP 15 Canada Square London E14 5GL
BANKS	Santander UK PLC 2 Triton Square Regent's Place London NW1 3AN HSBC Bank PLC 8 Canada Square Canary Wharf London E14 5HQ

DIGITAL MONEYBOX LIMITED

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DIGITAL MONEYBOX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2023

The directors present the strategic report of Digital Moneybox Limited ("the Company") and its subsidiaries, as detailed in note 15, (together "the Group") for the year ended 31 May 2023.

PRINCIPAL ACTIVITIES

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 easy access and 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.

BUSINESS REVIEW

The results for the year ended 31 May 2023 are set out in the consolidated statement of comprehensive income.

Group revenues increased by 183% to £28,734,014 (2022: £10,150,134). Gross profit was £26,695,414 (2022: £8,471,743), with gross margin increasing to 93% (2022: 83%). Earnings before interest, taxes, depreciation and amortisation (EBITDA) losses were £2,803,799 (2022: £14,424,544), reducing significantly year on year, as the Group became profitable in the final quarter of the financial year.

At 31 May 2023, the Group had Assets Under Administration (AUA) of £4.51bn (2022: £3.22bn), increasing 40% in the year. The Group's customer base passed the 1m mark, increasing by 27% to 1,093,107 (2022: 860,680).

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 defense 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.

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, the goal of the policy is to counter the security threats to the customer information we store, process and transmit. 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.

DIGITAL MONEYBOX LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 arise 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. Likewise, there is also some credit risk associated with liquid funds held by the Group's corporate and client money 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

During the financial year, the cost-of-living crisis and ongoing conflict in Ukraine caused increased volatility in the world equity markets; however, the key financial performance indicators of the Group, being revenue, gross profit and EBITDA, have all 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 the Group has adequate resources to continue to operate for the foreseeable future.

Monitoring of risks

The Group has developed a culture of building a risk-assessment into every decision, 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. During the financial year, the committee structure has been updated to include the formation of the Executive Committee, with a number of management committees reporting into it. The Executive Committee reports any risks or significant events into the Risk Committee for further review.

FUTURE DEVELOPMENTS

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.

DIRECTORS' DUTIES IN RELATION TO S.172 COMPANIES ACT 2006

The directors of Digital Moneybox Limited are aware of their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company to maintain a reputation for high standards of business conduct; and
- The need to act fairly between shareholders of the Group.

DIGITAL MONEYBOX LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

DIRECTORS' DUTIES IN RELATION TO S.172 COMPANIES ACT 2006 (CONTINUED)

The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

We describe how the directors consider these factors in their decision making below:

Long term consequences of actions

The Group has focused on implementing a robust governance structure, with appropriate risk management procedures and internal control, to ensure it continues to thrive as a business and in doing so can continue to service its customers. The Board has overall responsibility for setting the Group's strategy, with input from the Executive Committee. The Group's strategic goals and objectives are centered around developing its product offering for its customers to ensure they can continue to build wealth with confidence, so they can enjoy life today and tomorrow.

The interests of the company's 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 performance of the Group, its overall strategy, as well as its impact on the environment and wider community.

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.

Our internal inclusion committee champions and actively promotes, supports and celebrates complete inclusion, diversity and equality. The committee is made up of members from teams across the business with a range of seniority levels.

Relationships with suppliers and customers

Customers

The Group's customers are at the core of its strategy and serving their interests is the focus of everything we do. The Group regularly engages with its customers through surveys, social media and customer support to understand their needs. The feedback obtained via these channels is a key consideration in the strategic decisions and product roadmap of the Group. The Group's mission is to ensure that everyone has access to the right financial products and services to help them build wealth with confidence, so they can enjoy life today and tomorrow.

Suppliers

Building strong relationships with the Group's suppliers is paramount in ensuring the Group can continue to develop its product offering and therefore service its customers. There is robust review and due diligence processes put in place before entering into any supplier relationship, part of which is to ensure that our suppliers' values match our own. We aim to always treat our suppliers fairly and to ensure we focus on maintaining our relationships with them, including ensuring they are paid in line with our agreed terms.

Regulator

The FCA regulates the financial products and services provided by the Group. The Group maintains regular contact with its regulator to ensure it understands their key priorities and can therefore factor these into the decision-making process and to help shape its strategy, whilst maintaining compliance with its regulatory obligations. The Group also engages with the FCA to ensure the interests of the Group's customers is fully understood.

DIGITAL MONEYBOX LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

DIRECTORS' DUTIES IN RELATION TO S.172 COMPANIES ACT 2006 (CONTINUED)

Impact on the community and the environment

The Group recognises the impact of its actions on the community and the environment. The Group is committed to its pledge to remain carbon neutral, which it has been since 2020. Moneybox was the first fintech to become a signatory on the UN Climate Neutral Now Initiative, and will continue to put the environment at the forefront of its operational decisions.

Our Investment Starting Options include the option to choose an ESG global shares fund, which allows our customers to align their investments more closely to their values. Out of our full fund range, 40% are ESG focused and have a MSCI ESG rating of A or better.

Moneybox was founded on the belief that everyone should have access to the tools and information to turn their money into something greater. Inclusion and accessibility are at the core of our values as a business and run throughout our social practices with both our customers, employees and the wider community.

We create free, practical content across Saving, Investing, Homebuying and Retirement to help people understand their personal finances. Our app is designed and tested against strict accessibility criteria to ensure the user experience is seamless for everyone – including those with disabilities.

We believe we have a responsibility to protect vulnerable customers in challenging circumstances, and therefore have a dedicated team of specialists who undertake specific training in order to assist any such customers in need.

The Group also promotes charities through various employee events throughout the year, as well as through one paid volunteering day per year, accessible to all employees.


Business conduct

The culture instilled by the Group is one of both inclusion and integrity, with employees encouraged to do the right thing and to prioritise fairness over financial gain. Employees are required to complete regular training to promote the highest standards of conduct, and to ensure they continue to act in a way that is transparent, fair and ethical.

Acting fairly between members

The Group is committed to acting fairly towards all its shareholders, who are regularly kept informed of the Group's performance and of its overall strategy.

On behalf of the board

DocuSigned by:

66CEE5B59CB449.....

B Stanway
Director

20 September 2023
Date

DIGITAL MONEYBOX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

The directors present their annual report and consolidated financial statements of the Group and Company for the year ended 31 May 2023.

DIRECTORS

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

A Advani	
J Denais	(Resigned 10 November 2022)
D Godfrey	(Resigned 31 March 2023)
J Marsden	(Appointed 21 September 2022)
C Mortimer	
L Powers-Freeling	
B Stanway	

DIRECTORS INSURANCE

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

RESULTS AND DIVIDENDS

The Group's results for the financial year are set out on page 13.

No dividends were paid during the year (2022: £nil). The directors do not recommend payment of a final dividend.

GOING CONCERN

The Group meets its day to day working capital requirement 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, gross profit and EBITDA, have all 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.

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 qualifying development costs are capitalised and are included within note 14 to the financial statements.

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**DIRECTORS' REPORT (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****STATEMENT OF DISCLOSURE TO AUDITORS**

The directors confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The Group has chosen, in accordance with section 414C(11) of the Companies Act 2006 to present information regarding its financial risk management objectives and policies, future developments, and employee engagement in the strategic report.

CARBON REPORTING

For the fourth year in a row, the Group has worked with a third party (Alectro Limited) to analyse its carbon emissions and to offset these to achieve carbon neutral status to the accredited standards.

The table below summarises the results of this analysis for the financial year. The results have been produced in line with the World Resource Institute (WRI) GHG Accounting and Reporting Principles, applying the operational control approach, as defined by the GHG Protocol (see further details below).

Scope	Type	tCO ₂ e	kWh
1	The combustion of gas	2.53	14,041
1	The consumption of fuel for the purposes of transport	0.00	0
2	The purchase of electricity, including for the purposes of transport	0.00 ⁽¹⁾	102,768

⁽¹⁾ - As detailed above, the emissions are nil when applying the market-based approach, due to the supply coming from EDF Energy's Low Carbon renewable tariff, which the Carbon Trust has assured is 100% covered by Renewable Certificates in line with the WRI GHG Protocol Scope 2. If applying a location-based approach, the emissions would be 19.87tCO₂e.

Ratios

For the financial year ended 31 May 2023, the emissions per employee (Scope 1 and 2) were: 0.00788 tCO₂e / employee

Boundary Definitions

Organisational boundaries: The Company has used the operational control approach to establish the organisational boundary of their carbon reporting. As defined by the GHG Protocol, this includes operations where you have the full authority to introduce and implement operating policies. Under this approach, 100% of GHG emissions from all owned and leased facilities over which the Company has direct operational control are included.

Operational boundaries: All GHG emissions associated within the organisational boundary operations are included and categorised as Scope 1 (direct), Scope 2 (required indirect), and Scope 3 (optional indirect) emissions.

DIGITAL MONEYBOX LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

CARBON REPORTING (CONTINUED)

Conversion Factors

The data was analysed in accordance with the following conversion factors:

- World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol
- UK Government GHG Conversion Factors for Company Reporting
- Various academic sources, all peer-reviewed, and published
- *International Engineering Consultancy reports*
- Published private company Life Cycle Assessment studies

For further details, please refer to the full report published on the Company's website.


GENDER PAY REPORTING

For details of the gender pay gap reporting for the financial year, please refer to the Company's website where this is published.

POST BALANCE SHEET EVENTS

Since 31 May 2023, 2 ordinary shares have been issued at nominal as part of the Company's pension reward share programme and employee share options were exercised, resulting in 2,834 ordinary shares being issued.

On behalf of the board

DocuSigned by:

68CEEE5B59C8449

B Stanway
Director

20 September 2023
Date

DIGITAL MONEYBOX LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2023

The directors are responsible for preparing the strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and to prepare Company financial statements in accordance with United Kingdom Accounting Standards and applicable law - UK Generally Accepted Accounting Practice, including FRS 101: Reduced Disclosure Framework.

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group and the Company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the Company and of the profit or loss of the Group for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK-adopted International Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company 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 the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIGITAL MONEYBOX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MONEYBOX LIMITED FOR THE YEAR ENDED 31 MAY 2023

Opinion

We have audited the Group and Parent Company financial statements of Digital Moneybox Limited ("the Group") for the year ended 31 May 2023 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company statement of financial position, Company 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 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements 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.

DIGITAL MONEYBOX LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MONEYBOX LIMITED
(CONTINUED)**

FOR THE YEAR ENDED 31 MAY 2023

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 only material post-closing journals.

We assessed whether the judgements made in making accounting estimates are indicative of a potential bias.

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.

DIGITAL MONEYBOX LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MONEYBOX LIMITED
(CONTINUED)**

FOR THE YEAR ENDED 31 MAY 2023

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.

DIGITAL MONEYBOX LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MONEYBOX LIMITED
(CONTINUED)**

FOR THE YEAR ENDED 31 MAY 2023

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.



Megan Fuller (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
20 September 2023

DIGITAL MONEYBOX LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MAY 2023**

	Notes	2023 £	2022 £
Revenue	4	28,734,014	10,150,134
Cost of sales		(2,038,600)	(1,678,391)
Gross profit		26,695,414	8,471,743
Administrative expenses		(33,587,296)	(25,170,864)
Other operating income	5	2,050,419	1,661,758
Operating loss	8	(4,841,463)	(15,037,363)
Finance income	10	812,363	1,365
Finance costs	11	(56,806)	(21,064)
Loss before tax		(4,085,906)	(15,057,062)
Income tax credit	12	8,227,301	-
Profit/(loss) for the financial year		4,141,395	(15,057,062)
Other comprehensive income – may be reclassified to profit or loss			
Share based payments		-	107,416
Profit/(loss) and total comprehensive income/(loss) for the financial year		4,141,395	(14,949,646)

The profit/(loss) and total comprehensive income/(loss) for the year are entirely attributable to the owners of the parent company.

The notes on pages 21 to 51 are an integral part of these financial statements.

DIGITAL MONEYBOX LIMITED**(Company Number: 09597755)****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2023**

	Notes	2023 £	2022 £	2021 £
ASSETS				
Non-current assets				
Property, plant and equipment				
- owned	13	507,048	731,975	577,254
- right-of-use assets	13	914,216	164,426	638,660
Intangible assets	14	12,587,275	8,651,594	5,180,486
Deferred tax asset	16	8,227,301	-	-
		22,235,840	9,547,995	6,396,400
Current assets				
Trade and other receivables	17	10,838,793	3,117,233	2,240,726
Current tax receivables		1,954,183	2,726,316	1,064,357
Cash and cash equivalents		38,537,854	40,474,368	25,481,932
		51,330,830	46,317,917	28,787,015
Total assets		73,566,670	55,865,912	35,183,415
LIABILITIES				
Current liabilities				
Trade and other payables	18	(10,139,330)	(4,157,540)	(2,669,356)
Lease liabilities	19	(681,082)	(138,202)	(475,079)
Total current liabilities		(10,820,412)	(4,295,742)	(3,144,435)
Non-current liabilities				
Lease liabilities	19	(177,369)	-	(122,436)
Total non-current liabilities		(177,369)	-	(122,436)
Total liabilities		(10,997,781)	(4,295,742)	(3,266,871)
Net assets		62,568,889	51,570,170	31,916,544
EQUITY				
Share capital	22	48	47	40
Share premium		1,633	34,078,871	-
Share based payment reserve		1,747,485	884,490	360,096
Distributable reserve		99,430,862	59,421,922	59,421,922
Retained earnings		(38,611,139)	(42,815,160)	(27,865,514)
Total equity attributable to the owners of the parent		62,568,889	51,570,170	31,916,544

The notes on pages 21 to 51 are an integral part of these financial statements.

The financial statements on pages 13 to 51 are approved by the board of directors and authorised for issue on 20 September 2023 and are signed on its behalf by:

DocuSigned by:



B Stainway - Director

DIGITAL MONEYBOX LIMITED**(Company Number: 09597755)****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2023**

		2023	2022	2021
ASSETS	Notes	£	£	£
Non-current assets				
Property, plant and equipment				
- owned	13	493,587	709,652	563,538
- right-of-use assets	13	914,216	164,427	638,660
Intangible assets	14	12,587,275	8,651,594	5,180,486
Investments	15	40	40	20
Deferred tax asset	16	8,227,301	-	-
Amount due from subsidiary	17	2,430,289	1,000,000	379,781
		<u>24,652,708</u>	<u>10,525,713</u>	<u>6,762,485</u>
Current assets				
Trade and other receivables	17	12,006,052	3,540,995	2,377,109
Current tax receivables		1,954,183	2,726,316	1,064,357
Cash and cash equivalents		38,122,638	40,430,241	25,411,567
		<u>52,082,873</u>	<u>46,697,552</u>	<u>28,853,033</u>
Total assets		<u>76,735,581</u>	<u>57,223,265</u>	<u>35,615,518</u>
LIABILITIES				
Current liabilities				
Trade and other payables	18	(10,064,200)	(3,929,531)	(2,620,371)
Lease liabilities	19	(681,082)	(138,202)	(475,079)
Total current liabilities		<u>(10,745,282)</u>	<u>(4,067,733)</u>	<u>(3,095,450)</u>
Non-current liabilities				
Lease liabilities		(177,369)	-	(122,436)
Total non-current liabilities		<u>(177,369)</u>	<u>-</u>	<u>(122,436)</u>
Total liabilities		<u>(10,922,651)</u>	<u>(4,067,733)</u>	<u>(3,217,886)</u>
Net assets		<u>65,812,930</u>	<u>53,155,532</u>	<u>32,397,632</u>
EQUITY				
Share capital		48	47	40
Share premium		1,633	34,078,871	-
Share based payment reserve	22	1,747,485	884,490	360,096
Distributable reserve		99,430,862	59,421,922	59,421,922
Retained earnings		(35,367,098)	(41,229,798)	(27,384,426)
Total equity attributable to owners of the parent		<u>65,812,930</u>	<u>53,155,532</u>	<u>32,397,632</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's profit and total comprehensive income for the year ended 31 May 2023 was £5,800,074 (2022: loss of £13,952,788 and total comprehensive loss of £13,845,372).

The notes on pages 21 to 51 are an integral part of these financial statements. The financial statements on pages 13 to 51 are approved by the board of directors and authorised for issue on 20 September 2023 and are signed on its behalf by:

DocuSigned by:


B Stanway - Director

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

	Share capital £	Share premium £	Share based payment reserve £	Distributable reserve £	Retained earnings £	Total equity £
Balance as at 1 June 2021 – as previously reported and as reported under IFRS	40	-	360,096	59,421,922	(27,865,514)	31,916,544
Loss for the financial year	-	-	-	-	(15,057,062)	(15,057,062)
Other comprehensive income	-	-	(107,416)	-	107,416	-
Total comprehensive loss for the financial year	-	-	(107,416)	-	(14,949,646)	(15,057,062)
Share based payments	-	-	631,810	-	-	631,810
Proceeds from share issues	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 as at 31 May 2022	47	34,078,871	884,490	59,421,922	(42,815,160)	51,570,170
Profit for the financial year	-	-	-	-	4,141,395	4,141,395
Total comprehensive income for the financial year	-	-	-	-	4,141,395	4,141,395
Share based payments	-	-	925,621	-	-	925,621
Share options exercised	-	-	(62,626)	-	62,626	-
Proceeds from share issues	1	5,931,702	-	-	-	5,931,703
Transfers	-	(40,008,940)	-	40,008,940	-	-
Balance as at 31 May 2023	48	1,633	1,747,485	99,430,862	(38,611,139)	62,568,889

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Reserves of the Group represent the following:

Share capital

Share capital represents the par value of ordinary shares issued by the parent company.

Share premium

Share premium represents consideration for shares issued above their nominal value net of transaction costs.

Share based payment reserve

Share based payment reserve represents cumulative share based payment expense.

Distributable reserve

The distributable reserve represents fully distributable reserves arising from capital restructuring.

Retained earnings

Retained earnings represent the cumulative profit and loss of the Group, net of distributions to owners.

The notes on pages 21 to 51 are an integral part of these financial statements.

DIGITAL MONEYBOX LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MAY 2023**

	Share capital £	Share premium £	Share based payment reserve £	Distributable reserve £	Retained earnings £	Total equity £
Balance as at 1 June 2021 – as previously reported and as reported under IFRS	40	-	360,096	59,421,922	(27,384,426)	32,397,632
Loss for the financial year	-	-	-	-	(13,952,788)	(13,952,788)
Other comprehensive income	-	-	(107,416)	-	107,416	-
Total comprehensive loss for the financial year	-	-	(107,416)	-	(13,845,372)	(13,952,788)
Share based payments	-	-	631,810	-	-	631,810
Proceeds from share issues	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 as at 31 May 2022	47	34,078,871	884,490	59,421,922	(41,229,798)	53,155,532
Profit for the financial year	-	-	-	-	5,800,074	5,800,074
Total comprehensive income for the financial year	-	-	-	-	5,800,074	5,800,074
Share based payments	-	-	925,621	-	-	925,621
Share options exercised	-	-	(62,626)	-	62,626	-
Proceeds from share issues	1	5,931,702	-	-	-	5,931,703
Transfers	-	(40,008,940)	-	40,008,940	-	-
Balance as at 31 May 2023	48	1,633	1,747,485	99,430,862	(35,367,098)	65,812,930

DIGITAL MONEYBOX LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Reserves of the Company represent the following:

Share capital

Share capital represents the par value of ordinary shares issued by the Company.

Share premium

Share premium represents consideration for shares issued above their nominal value net of transaction costs.

Share based payment reserve

Share based payment reserve represents cumulative share based payment expense.

Distributable reserve

The distributable reserve represents fully distributable reserves arising from capital restructuring.

Retained earnings

Retained earnings represent the cumulative profit and loss of the Company, net of distributions to owners.

The notes on pages 21 to 51 are an integral part of these financial statements.

DIGITAL MONEYBOX LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash used in operations	24	(3,628,969)	(12,624,488)
R&D tax credits received		2,822,551	-
Net cash generated from/(used in) operating activities		(806,418)	(12,624,488)
Cash flows from investing activities			
Payments to acquire property, plant and equipment - owned		(85,571)	(419,884)
Payments to acquire intangible assets		(7,113,567)	(5,484,750)
Proceeds from disposal of tangible assets		2,262	-
Interest received		812,363	-
Net cash used in investing activities		(6,384,513)	(5,904,634)
Cash flows from financing activities			
Payment of lease liabilities		(677,286)	(557,320)
Proceeds from issue of share capital		5,931,703	34,407,856
Payment of transaction costs		-	(328,978)
Net cash generated from financing activities		5,254,417	33,521,558
Net (decrease)/increase in cash and cash equivalents		(1,936,514)	14,992,436
Cash and cash equivalents at the beginning of the year		40,474,368	25,481,932
Cash and cash equivalents at the end of the year		38,537,854	40,474,368

The notes on pages 21 to 51 are an integral part of these financial statements.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

1. GENERAL INFORMATION

Digital Moneybox Limited ("the Company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Suite 1.07, 1-2 Hatfields, London, SE1 9PG.

The Group ("the Group") consists of Digital Moneybox Limited and all of its subsidiaries as listed in note 15.

The Group's principal activities and nature of its operations are disclosed in the strategic report.

2. 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 periods presented, unless otherwise stated.

Monetary amounts in these financial statements are rounded to the nearest whole £ except where otherwise indicated.

2.1. BASIS OF PREPARATION AND FIRST TIME ADOPTION OF IFRS

These financial statements are the first published financial statements of Digital Moneybox Limited that have been prepared in accordance with UK International Accounting Standards, in conformity with the requirements of the Companies Act 2006 ("IFRS"). They have been prepared under the historical cost convention. For all periods up to and including the year ended 31 May 2022, the Group prepared its financial statements in accordance with FRS 102.

Some of the IFRS recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with IFRS. The directors have also taken advantage of certain exemptions from the requirements of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards' (IFRS 1). The date of transition to IFRS is 1 June 2021.

The principles and requirements for first time adoption of IAS are set out in IFRS 1 'First-Time Adoption of International Financial Reporting Standards'. IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain standards in order to assist companies with the transition process. No exemptions have been applied in the preparation of the Group's first IAS financial statements. The impact of adopting IFRS is detailed below and a reconciliation on transition to IFRS is provided in note 30.

IFRS 9 'Financial Instruments'

The adoption of IFRS has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing the approach under UK GAAP of initially recognising trade receivables at fair value and subsequently measuring at amortised cost less allowances for estimated irrecoverable amounts, with a forward-looking expected credit loss (ECL) approach. The assessment of expected credit losses is materially the same as the irrecoverable amounts estimated under FRS 102, therefore no adjustment has been made upon transition to IFRS.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards. The Group previously applied the provisions of FRS 102 Section 23. On all the Group's engagement types the point at which revenue is recognised has not changed, as the point of control under IFRS 15 is the same as the point of transfer of risks and rewards under FRS 102. As such, there were no adjustments upon transition from FRS 102 to IFRS 15.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****2.1. BASIS OF PREPARATION AND FIRST TIME ADOPTION OF IFRS (CONTINUED)***IFRS 16 'Leases'*

Under UK GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. From 1 June 2021, for each lease the Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet where previously they were off balance sheet. There has been no impact on the actual cash flows of the Group but there are presentational differences in the cash flow statement. There has been an impact on the Statement of Comprehensive Income as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

The Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less and to leases of low-value assets. The recognition of these exempted leases will therefore continue unchanged – a charge will be recognised in the income statement based on straight-line recognition of the lease payments payable on each lease, after adjustment for lease incentives received. These are also recognised in the operating loss note (note 8).

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements have been made and their effect is disclosed in note 3.

In accordance with IFRS 1, the Group presents three balance sheets in its first IFRS financial statements. The effects of transition to IFRS are presented in note 30.

The Company meets the definition of a qualifying entity under FRS 101: Reduced Disclosure Framework ("FRS 101"), The Financial Reporting Standard applicable in the UK and Republic of Ireland. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Group financial statements, in accordance with FRS 101:

- Presentation of a balance sheet at 1 June 2021 in the Company's first IFRS financial statements;
- Presentation of a cash flow statement and related notes;
- reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period;
- a reconciliation of the number of shares outstanding at the start and end of the prior period;
- Disclosure of the objectives, policies and processes for managing capital;
- Inclusion of an explicit and unreserved statement of compliance with IFRS;
- Disclosure of key management compensation;
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments;
- Share based payments – details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment.
- Related party disclosures for transactions with the parent or wholly-owned members of the group; and
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.2. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Digital Moneybox Limited and all of its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

2.3. ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the United Kingdom Endorsement Board ('UKEB') that are mandatory for the current reporting period upon transition to IFRS. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and interpretations not yet applied

The following relevant new standards, amendments to standards and interpretations have been issued, but are only effective for financial periods beginning on or after 1 January 2023, and have therefore not been early adopted:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (effective 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
- Amendments to IFRS 16 related to Lease Liability in a Sale and Leaseback (effective 1 January 2024)

The directors do not expect the adoption of these standards to have a material impact in future periods.

2.4. COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's profit and total comprehensive income for the year ended 31 May 2023 was £5,800,074 (2022: loss of £13,952,788 and total comprehensive loss of £13,845,372).

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.5. GOING CONCERN

The Group meets its day to day working capital requirement 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, gross profit and EBITDA, have all increased, 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.

2.6. REVENUE

Revenue is accounted for in accordance with IFRS 15 Revenue from contracts with customers.

Revenue is recognised when control of a product provided by the Group is transferred to the customer, in line with the Group's performance obligations in the contract, and at an amount reflecting the consideration the Group expects to receive in exchange for the provision of products.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue recognition is determined in IFRS 15 by:

- identifying the contract, or contracts, with a customer;
- identifying the performance obligations in each contract;
- determining the transaction price;
- allocating the transaction price to the performance obligations in each contract; and
- recognising revenue when, or as, performance obligations are satisfied by transferring the promised goods or services.

The Group recognised revenue from the following activities:

Investing revenue

Investing revenue is made up of subscription and management fees. Subscription fees are earned from customers for the provision of the Investing products in the Moneybox app (ISA/GIA, S&S LISA, JISA). Management fee revenue is revenue earned from customers on their daily balances under administration of the Group. Revenue is recognised for both subscription and management fees on a monthly basis, in line with the associated performance obligations being met.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.6. REVENUE (CONTINUED)

Savings revenue

Savings revenue is made up of cash administration fees and DMB CLISA net interest revenue. Cash administration fees is revenue earned through administration of customers' bare trust Savings and CLISA products. DMB CLISA net interest revenue is interest earned on the customer balances held under the DMB CLISA, less any interest owed to customers. Revenue is recognised for both cash administration and DMB CLISA net interest on a monthly basis, in line with the associated performance obligations being met.

Retirement revenue

Retirement revenue is made up of management fees on the retirement product. Management fee revenue is revenue earned from customers on their daily balances under administration of the Group. Revenue is recognised for management fees on a monthly basis, in line with the associated performance obligations being met.

Mortgages revenue

Mortgages revenue relates to mortgage broking services provided to customers, as well as commission earned on the sale of insurance products and conveyancing referrals. Revenue is recognised on the completion date of the transaction.

Other revenue

Other revenue is made up of revenue relating to the Moneybox+ service and client money interest. Revenue relating to the Moneybox+ service is recognised when the underlying transaction completes. Interest earned managing client money bank accounts is accrued on a daily basis and recognised monthly.

2.7. FOREIGN AND FUNCTIONAL CURRENCIES

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Group is Pound Sterling (£). The financial statements are presented in Pound Sterling. Monetary amounts in these financial statements are rounded to the nearest £1.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Non-monetary items are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

On consolidation, assets and liabilities of foreign operations are translated into sterling at year-end exchange rates. The results of foreign operations are translated into sterling at average rates of exchange for the year. Exchange differences arising on translating net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.8. FINANCE INCOME AND COSTS

Finance costs comprise interest charged on liabilities and finance costs accruing from lease liabilities.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****2.9. PROPERTY, PLANT AND EQUIPMENT**

All property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate assets' cost amounts to their residual values over their estimated useful lives, as follows:

Fixtures and fittings	5 years
Computer equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the income statement.

2.10 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 internally developed software products and substantial enhancements to existing software product is recognised as intangible assets only when the following criteria are met:

1. It is technically feasible to develop the product to be used or sold;
2. There is an intention to complete and use or sell the product;
3. The Group is able to use or sell the product;
4. Use or sale of the product will generate future economic benefits;
5. Adequate resources are available to complete the development; and
6. Expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready for use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred.

Capitalised development expenditure is reviewed at the end of each accounting period for conditions set out above and indicators of impairment. Intangible assets that are not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable amount based on cash flow forecasts for the developed products.

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.11 IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

At each reporting end date, the Group reviews the carrying amounts of its intangible assets and property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 INVESTMENTS

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

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

2.13 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Group has become party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Trade and other receivables

Trade receivables are initially measured at their transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measure 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.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.13. FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. The Group only includes cash within this classification.

Impairment of financial assets under IFRS 9

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

Trade receivables

For trade receivables, the simplified approach is used for expected credit losses as there is no significant financing component. The lifetime expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Impairment of other receivables measured at amortised cost

The measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the Group's assessment of increases in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows. The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant. In assessing whether credit risk has increased significantly, the Group compares the risk of default at the year-end with the risk of a default when the investment was originally recognised using reasonable and supportable past and forward-looking information that is available without undue cost.

The risk of a default occurring takes into consideration default events that are possible within 12 months of the year-end ("the 12-month expected credit losses") for 'performing' financial assets, and all possible default events over the expected life of those receivables ("the lifetime expected credit losses") for 'underperforming' financial assets. Impairment losses, and any subsequent reversals of impairment losses, are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Financial liabilities are measured subsequently at amortised cost using the effective interest rate.

Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method, with all movements being recognised in the statement of comprehensive income. Cost approximates fair value.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.13. FINANCIAL INSTRUMENTS (CONTINUED)

Equity

Equity instruments issued are recorded at fair value on initial recognition net of transaction costs.

Derecognition of financial assets and liabilities

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset, it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

2.14. LEASES

On commencement of a contract (or part of a contract) which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

Short-term leases

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

Leases of low-value assets

Leases where the underlying asset is 'low-value', lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial and subsequent measurement of the right-of-use asset

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Right-of-use assets	on a straight-line basis over the shorter of the lease term and the useful life
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The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications.

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.14. LEASES (CONTINUED)

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Remeasurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the company's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

2.15. TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.15. TAXATION (CONTINUED)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. 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 on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is released or the deferred income tax liabilities is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16. EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.17. PENSIONS

The Group operates a defined contribution plan for its employees. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.18. SHARE-BASED PAYMENTS

The company issues equity-settled share-based incentives to certain employees in the form of share options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the estimated vesting period, based on the estimate of shares that will eventually vest. For share options which vest in instalments over the vesting period, each instalment is treated as a separate share option grant, each with a different vesting period. A corresponding adjustment is made to equity.

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2.18. SHARE-BASED PAYMENTS (CONTINUED)

The fair value of share options are measured using the Black-Scholes model. If the vesting conditions of share options are modified in a manner that is beneficial to the employee and this modification increases the fair value of the equity instruments granted (or increases the number of equity instruments granted) measured immediately before and after the modification, the entity shall include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date at fair value of the original equity instruments, which is recognised over the remained of the original vesting period. Cancellations or settlements are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements

In the course of preparing the financial statements, judgements have been made in the process of applying the accounting policies that have had a significant effect in the amounts recognised in the financial statements. The following are the areas requiring the use of judgements that may significantly impact the financial statements.

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 13 and 14 for the carrying value of the tangible and intangible and notes 2.9 and 2.11 for the useful economic lives for each of the asset classes.

Interest rate implicit in the lease

The Group uses judgement to assess whether the interest rate implicit in the lease is readily determinable. When the interest rate implicit in the lease is not readily determinable, the Group estimates the incremental borrowing rate based on its external borrowings secured against similar assets, adjusted for the term of the lease. On this basis, the Group has estimated its incremental borrowing rate to be between 5% and 7%.

Estimates

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

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)****Estimates (continued)***Measurement, useful lives and impairment of property, plant and equipment*

The annual depreciation charge for property, plant and equipment 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 assets. In the event of impairment, an estimate of the asset's recoverable amount is made. The value of the assets are tested whenever there are indications of impairment.

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.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised, and liabilities will be settled and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

Deferred tax assets in respect of tax losses carried forward are recognised on the basis that there are expected to be sufficient profits generated to utilise these losses in the near future.

4. REVENUE

An analysis of the Group's revenue is as follows:

	2023	2022
	£	£
<i>Revenue by class of business</i>		
Investing	6,819,952	5,333,254
Savings	18,810,511	3,141,182
Retirement	1,555,826	1,116,573
Mortgage Broking	1,052,557	515,885
Other revenue	495,168	43,240
	<u>28,734,014</u>	<u>10,150,134</u>
<i>Revenue by geographical location</i>		
United Kingdom	<u>28,734,014</u>	<u>10,150,134</u>
<i>Revenue analysed by timing:</i>		
Point in time	27,586,539	9,591,009
Over time	1,147,475	559,125
	<u>28,734,014</u>	<u>10,150,134</u>

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****5. OTHER OPERATING INCOME**

	2023	2022
	£	£
Other operating income	2,050,419	1,661,758

Other operating income relates to research and development tax credits receivable from HMRC. The amount of expenditure relating to research and development recognised in the Consolidated statement of comprehensive income for the year was £298,544 (2022: £780,774).

6. EMPLOYEES

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

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
Selling and distribution	17	15	17	15
Administration	304	252	271	252
	<u>321</u>	<u>267</u>	<u>288</u>	<u>267</u>

The aggregate payroll costs (including directors' remuneration) were as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	11,071,040	8,081,569	9,700,107	7,233,274
Social security costs	1,199,202	905,560	1,045,356	807,910
Pension costs – defined contribution	1,069,780	740,115	954,736	672,688
Other staff costs	1,276,664	788,205	1,285,011	781,781
	<u>14,616,686</u>	<u>10,515,449</u>	<u>12,985,210</u>	<u>9,495,653</u>

7. DIRECTORS' REMUNERATION

The directors' aggregate emoluments in respect of qualifying services were:

Group and Company	2023	2022
	£	£
Directors' emoluments	473,797	356,216
Pension costs – defined contribution	27,333	24,000
	<u>501,130</u>	<u>380,216</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes was 4 (2022: 2). No directors received shares under long term incentives schemes in the current or prior year.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****7. DIRECTORS' REMUNERATION (CONTINUED)**

Remuneration disclosed above including the following amounts paid to the highest director:

	2023	2022
Group and Company	£	£
Directors' emoluments	162,349	142,504
Pension costs – defined contribution	13,667	12,000
	<u>176,016</u>	<u>154,504</u>

Key management personnel compensation

Key management includes the directors and members of senior management. The aggregate emoluments in respect of qualifying services paid or payable to key management for employee services were:

	2023	2022
Group and Company	£	£
Key management personnel emoluments	1,324,201	743,612
Social security costs	174,136	103,203
Pension costs – defined contribution	124,095	79,232
	<u>1,622,432</u>	<u>926,047</u>

8. OPERATING LOSS

	2023	2022
	£	£
Operating loss is stated after charging:		
Depreciation of property, plant and equipment – owned	302,684	261,780
Depreciation of property, plant and equipment - right-of-use assets	650,712	556,476
Amortisation of intangible assets	3,177,886	2,013,642
Loss on disposal of property, plant and equipment – owned	5,552	3,383
Foreign exchange losses	16,194	12,697
	<u></u>	<u></u>

9. AUDITOR'S REMUNERATION

	2023	2022
	£	£
Fees payable to the Group's auditor and its associates:		
Audit of the consolidated and parent company's financial statements	128,440	95,000
All other non-audit services	168,117	126,333
	<u>296,557</u>	<u>221,333</u>

10. FINANCE INCOME

	2023	2022
	£	£
Bank interest received	812,363	1,365
	<u></u>	<u></u>

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****11. FINANCE COSTS**

	2023 £	2022 £
Interest on lease liabilities	56,806	21,064

12. INCOME TAX

	2023 £	2022 £
Deferred tax:		
Origination and reversal of timing differences	(110,873)	-
Accelerated capital allowances	1,408,934	324,131
Losses brought to account	(9,525,362)	(324,131)
Total deferred tax	(8,227,301)	-
Income tax credit	(8,227,301)	-
	2023 £	2022 £
Loss before income tax	(4,085,906)	(15,057,062)
Loss before income tax multiplied by the effective rate of corporation tax 20% (2022: 19%)	(817,181)	(2,860,842)
Effects of:		
Fixed asset differences	869	-
Income not taxable for tax purposes	(410,084)	-
Expenses not deductible for tax purposes	703,242	-
Other permanent differences	(101,230)	-
Group relief surrendered	74	-
Timing differences not recognised	95,448	-
Changes in tax rates – deferred tax	(133,137)	-
Movement in deferred tax not recognised	(7,565,302)	-
Losses not recognised for deferred tax	-	2,536,711
Deferred tax on accelerated capital allowances	-	324,131
Income tax credit	(8,227,301)	-

In March 2021, the Chancellor announced that the tax rate would increase from 19% to 25% with effect from 1 April 2023. On 24 May 2021, the Finance No. 2 Bill 2021 became substantively enacted. As a result, deferred tax for temporary/timing differences that are forecast to unwind in the UK on or after 1 April 2023 is recognised at 25%.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****13. PROPERTY, PLANT AND EQUIPMENT**

Group	Right-of-use assets (note 19) £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 June 2021	638,660	387,397	384,483	1,410,540
Additions	82,242	298,357	121,527	502,126
Disposals	-	(13,470)	-	(13,470)
At 31 May 2022	720,902	672,284	506,010	1,899,196
Additions	1,400,502	81,859	3,712	1,486,073
Disposals	(720,902)	(100,585)	-	(821,487)
At 31 May 2023	1,400,502	653,558	509,722	2,563,782
Depreciation and impairment				
At 1 June 2021	-	(159,606)	(35,020)	(194,626)
Charge for the year	(556,476)	(171,248)	(90,532)	(818,256)
Eliminated on disposal	-	10,087	-	10,087
At 31 May 2022	(556,476)	(320,767)	(125,552)	(1,002,795)
Charge for the year	(650,712)	(201,699)	(100,985)	(953,396)
Eliminated on disposal	720,902	92,771	-	813,673
At 31 May 2023	(486,286)	(429,695)	(226,537)	(1,142,518)
Net book value				
At 31 May 2023	914,216	223,863	283,185	1,421,264
At 31 May 2022	164,426	351,517	380,458	896,401
At 31 May 2021	638,660	227,791	349,463	1,215,914

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Right-of-use assets (note 19) £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 June 2021	638,660	372,001	384,483	1,395,144
Additions	82,242	298,357	121,527	502,126
Disposals	-	(29,132)	-	(29,132)
At 31 May 2022	720,902	641,226	506,010	1,868,138
Additions	1,400,502	79,638	3,712	1,483,852
Disposals	(720,902)	(100,585)	-	(821,487)
At 31 May 2023	1,400,502	620,279	509,722	2,530,503
Depreciation and impairment				
At 1 June 2021	-	(157,925)	(35,020)	(192,945)
Charge for the year	(556,476)	(164,194)	(90,532)	(811,202)
Eliminated on disposal	-	10,087	-	10,087
At 31 May 2022	(556,476)	(312,032)	(125,552)	(994,060)
Charge for the year	(650,712)	(190,614)	(100,985)	(942,311)
Eliminated on disposal	720,902	92,771	-	813,673
At 31 May 2023	(486,286)	(409,875)	(226,537)	(1,122,698)
Net book value				
At 31 May 2023	914,216	210,404	283,185	1,407,805
At 31 May 2022	164,426	329,194	380,458	874,078
At 31 May 2021	638,660	214,076	349,463	1,202,199

DIGITAL MONEYBOX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

14. INTANGIBLE ASSETS

Group and Company	Software £
Cost	
At 1 June 2021	8,018,135
Additions	5,484,750
At 31 May 2022	13,502,885
Additions	7,113,567
At 31 May 2023	20,616,452
Amortisation and impairment	
At 1 June 2021	(2,837,649)
Charge for the year	(2,013,642)
At 31 May 2022	(4,851,291)
Charge for the year	(3,177,886)
At 31 May 2023	(8,029,177)
Net book value	
At 31 May 2023	12,587,275
At 31 May 2022	8,651,594
At 31 May 2021	5,180,486

15. INVESTMENTS

Company	Shares in subsidiary undertakings £
Cost	
1 June 2021	20
Additions	20
31 May 2022 and 31 May 2023	40
Carrying amount	
At 31 May 2023	40
At 31 May 2022	40
At 31 May 2021	20

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****15. INVESTMENTS (CONTINUED)**

The Company's subsidiary undertakings as at 31 May 2023 are set out below:

Name of subsidiary	Country of incorporation	Nature of business	Proportion of ownership interest
Moneybox Share Nominee Ltd	United Kingdom	Dormant	100% direct
Moneybox Mortgages Ltd	United Kingdom	Provision of mortgage brokering services	100% direct
Moneybox Employee Share Nominee Ltd	United Kingdom	Dormant	100% direct
Moneybox Pensions Trustee Ltd	United Kingdom	Trustee of the Moneybox Pension	100% direct

The registered office and principle place of business for all of the subsidiaries are 1.07, 1-2 Hatfields, London, SE1 9PG.

All of the subsidiaries have claimed the audit exemption under Companies Act 2006 Section 479A with respect to its year ended 31 May 2023. The Company has given a statement of guarantee under Companies Act Section 479C, to guarantee all outstanding liabilities to which the subsidiary company is subject as at 31 May 2023.

16. DEFERRED TAX ASSETS

The deferred tax balances recognised in the statement of financial positions have been made as follows:

Group and Company	Asset £	Liability £	Total £
At 1 June 2021	600,686	(600,686)	-
Charge to profit or loss	838,749	(838,749)	-
At 31 May 2021	1,439,435	(1,439,435)	-
Charge to profit or loss	324,131	(324,131)	-
At 31 May 2022	1,763,566	(1,763,566)	-
Credit to profit or loss	9,640,288	(1,412,987)	8,227,301
At 31 May 2023	11,403,854	(3,176,553)	8,227,301

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 the extent that it deems them recoverable against future tax charges. 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 them to be recognised as a deferred tax asset has not yet been met.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****17. TRADE AND OTHER RECEIVABLES**

Group	2023	2022	2021
	£	£	£
Current			
Trade receivables	9,010	198,908	43,592
Prepayments	1,696,254	1,243,759	1,229,672
Accrued income	9,133,529	1,674,566	967,462
	<u>10,838,793</u>	<u>3,117,233</u>	<u>2,240,726</u>
Company	2023	2022	2021
	£	£	£
Non-current			
Amounts owed by group undertakings	2,430,289	1,000,000	-
	<u>2,430,289</u>	<u>1,000,000</u>	<u>-</u>
	2023	2022	2021
	£	£	£
Current			
Trade receivables	9,010	169,617	43,592
Amounts owed by group undertakings	1,305,065	505,880	138,385
Prepayments	1,606,901	1,229,954	1,228,327
Accrued income	9,085,076	1,635,544	966,805
	<u>12,006,052</u>	<u>3,540,995</u>	<u>2,377,109</u>

The amounts owed by group undertakings are unsecured and are repayable on demand. The loans bore interest at 10.9% per annum in 2023 and 10% per annum in 2022.

18. TRADE AND OTHER PAYABLES

Group	2023	2022	2021
	£	£	£
Current			
Trade payables	1,006,682	1,005,309	593,956
Social security and other taxes	175,667	581,100	369,481
Other payables	704,902	163,095	99,945
Accruals and deferred income	8,252,079	2,408,036	1,605,974
	<u>10,139,330</u>	<u>4,157,540</u>	<u>2,669,356</u>
Company	2023	2022	2021
	£	£	£
Current			
Trade payables	1,006,682	866,587	593,956
Social security and other taxes	175,667	541,314	301,735
Other payables	653,015	152,891	94,502
Accruals and deferred income	8,228,806	2,368,739	1,584,467
Amounts owed to group undertakings	30	-	-
	<u>10,064,200</u>	<u>3,929,531</u>	<u>2,574,660</u>

The amounts owed to group undertakings are unsecured and are repayable on demand. The loans bore interest at 10.9% per annum in 2023 and 10% per annum in 2022.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****19. LEASES****Group and Company**

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between the reporting date and the contractual maturity date.

At 31 May 2023	Less than 1 year £	Between 1 and 5 years £	Total £
Buildings	717,275	179,318	896,593
Future finance charges on lease liabilities	(36,193)	(1,949)	(38,142)
Present value of lease liabilities	<u>681,082</u>	<u>177,369</u>	<u>858,451</u>
At 31 May 2022	Less than 1 year £	Between 1 and 5 years £	Total £
Buildings	139,330	-	139,330
Future finance charges on lease liabilities	(1,128)	-	(1,128)
Present value of lease liabilities	<u>138,202</u>	<u>-</u>	<u>138,202</u>
At 31 May 2021	Less than 1 year £	Between 1 and 5 years £	Total £
Buildings	493,740	123,435	617,175
Future finance charges on lease liabilities	(18,660)	(999)	(19,659)
Present value of lease liabilities	<u>475,080</u>	<u>122,436</u>	<u>597,516</u>

As disclosed in note 13, the carrying value of right-of-use assets in respect of the above lease liabilities is £914,216 (2022: £164,426, 2021: £638,660). The Group's lease arrangements are in relation to property leases. The leases have termination dates up to September 2024.

The rates of interest implicit in the Group's lease arrangements are not readily determinable and management have determined that the incremental borrowing rate to be applied in calculating the lease liability is between 5% to 7%. The fair value of the Group's lease obligations is approximately equal to their carrying amount.

Effect of leases on financial performance	2023 £	2022 £	2021 £
Depreciation charge on right-of-use assets included within 'administrative expenses'	650,712	556,476	-
Interest expense on lease liabilities included within 'finance costs'	56,806	21,064	-
	<u>707,518</u>	<u>577,540</u>	<u>-</u>

The total cash outflow for leases in 2023 was £677,286 (2022: £557,320).

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****20. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS**

The Group's financial instruments at the reporting dates mainly comprise cash and various items arising directly from its operations, such as trade and other receivables and trade and other payables.

(a) Risk management policies

The Group's Directors are responsible for overseeing capital resources and maintaining efficient capital flow, together with managing the Group's cash flow risk, foreign exchange risk, credit risk and liquidity risk.

(b) Financial assets and liabilities

Financial assets and liabilities analysed by the categories were as follows:

Group

Financial assets held at amortised cost:	2023	2022	2021
	£	£	£
Current assets			
Trade and other receivables	10,838,793	3,117,233	2,240,726
Cash and cash equivalents	38,537,855	40,474,368	25,411,567
Total financial assets held at amortised cost	<u>49,376,648</u>	<u>43,591,601</u>	<u>27,652,293</u>
Financial liabilities held at amortised cost:	2023	2022	2021
	£	£	£
Current liabilities			
Trade and other payables	10,139,330	4,157,540	2,669,356
Lease liabilities	681,082	138,202	475,079
	<u>10,820,412</u>	<u>4,295,742</u>	<u>3,144,435</u>
Non-current liabilities			
Lease liabilities	177,369	-	122,436
Total financial liabilities held at amortised cost	<u>10,997,781</u>	<u>4,295,742</u>	<u>3,266,871</u>

The carrying value of all financial instruments is not materially different from their fair value.

(c) Credit risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum credit risk at the reporting dates was as follows:

	2023	2022	2021
	£	£	£
Current trade and other receivables	<u>10,838,793</u>	<u>3,117,233</u>	<u>2,240,726</u>

Trade receivables are regularly reviewed for impairment loss. The Group has assessed the credit losses attributable to its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the financial statements.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****20. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)****(d) Liquidity risk**

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.

Contractual cash flows relating to the Group's financial liabilities are as follows:

	2023	2022	2021
	£	£	£
Within one year:			
Trade payables	1,006,682	1,005,309	593,956
Accruals and other payables	9,132,648	3,152,231	2,075,400
Lease liabilities	681,082	138,202	475,079
	<u>10,820,412</u>	<u>4,295,742</u>	<u>3,144,435</u>
After one year:			
Lease liabilities:			
Between 1-2 years	177,369	-	122,436
Total	<u>10,997,781</u>	<u>4,295,742</u>	<u>3,266,871</u>

Contractual cash flows relating to the Company's financial liabilities are as follows:

	2023	2022	2021
	£	£	£
Within one year:			
Trade payables	1,006,682	866,587	593,956
Amounts owed to group undertakings	30	-	-
Accruals and other payables	9,057,518	3,062,944	1,980,704
Lease liabilities	717,275	179,318	475,079
	<u>10,781,505</u>	<u>4,108,849</u>	<u>3,049,739</u>
After one year:			
Lease liabilities:			
Between 1-2 years	179,318	-	122,436
Total	<u>10,960,823</u>	<u>4,108,849</u>	<u>3,172,175</u>

(e) Foreign exchange 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 arise as a result of foreign currency transactions. It is a fundamental principle that the Group does not speculate in the currency market.

Capital management

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group considers its capital to include net cash (being the aggregate of bank balances less borrowings), share capital, translation reserve and retained earnings.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****20. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)**

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Group	2023 £	2022 £	2021 £
Lease liabilities	(858,451)	(138,202)	(597,515)
Cash and cash equivalents	38,537,855	40,474,368	25,481,932
Net debt	<u>37,679,404</u>	<u>40,336,166</u>	<u>24,884,417</u>
Equity	62,568,889	51,610,608	31,916,544
Equity plus net debt	<u>100,248,293</u>	<u>91,946,774</u>	<u>56,800,961</u>

In view of the financing arrangements in place, and that capital is managed as part of the wider finance function, the Directors consider that the gearing ratio at 31 May 2023 was acceptable.

21. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes	2023 £	2022 £
Contributions payable by the Group for the year	<u>1,069,780</u>	<u>740,115</u>

The Group operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The cost charged represents contributions payable by the Group to the funds. At the balance sheet date contributions of £148,629 (2022: £136,841, 2021: £75,763) were outstanding.

22. SHARE CAPITAL

Group and Company	2023 No.	2022 No.	2021 No.
Share capital issued and fully paid			
Ordinary shares of £0.000001 each	<u>47,886,375</u>	<u>46,616,124</u>	<u>40,248,779</u>
	2023 £	2022 £	2021 £
Share capital issued and fully paid			
Ordinary shares of £0.000001 each	<u>48</u>	<u>47</u>	<u>40</u>

Ordinary shares

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.

During the current year 1,229,943 Ordinary shares and 40,308 preferred D shares were issued, at varying rates during the year. This resulted in an overall nominal increase of £1 share capital and £5,931,702 of share premium issued.

During the prior year, the Company completed its Series D fundraising, resulting in 6,155,386 preferred ordinary D shares being issued at a price of £5.58 per share. Share options were also exercised, resulting in the issue of 204,479 ordinary shares. A further 7,480 ordinary shares were also issued at nominal as part of the Group's pension reward share programme.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****23. 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:

	2023	2022
Weighted average share price	£3.36	£1.03
Weighted average exercise price	£1.86	£0.15
Expected volatility	45.53%	38.19%
Expected life	7.21 years	8.61 years
Risk free rate	2.00%	0.58%
Expected dividends	-	-

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	2023 Weighted average exercise price (£)	Options Number	2022 Weighted average exercise price (£)
Granted during the year	735,158	£1.86	1,135,701	£0.26
Exercised	164,077		204,479	
Lapsed	Nil		Nil	
Forfeited	670,056		101,761	
Outstanding at 31 May	5,006,617	£0.35	2,578,341	£0.15
Exercisable at 31 May	2,954,542	£0.07	716,910	£0.05

The exercise price of options outstanding at 31 May 2023 is £0.35 (2022: £0.15), with a weighted average remaining contractual life of 7 years (2022: 2 years). The weighted average fair value of options granted in the year using the Black-Scholes option pricing model was £2.12 per option (2022: £1.03 per option).

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****24. CASH GENERATED FROM OPERATIONS**

Group	2023 £	2022 £
Profit/(loss) for the financial year	4,141,395	(15,057,062)
<i>Adjustments for:</i>		
Income tax credit	(8,227,301)	-
Depreciation of tangible assets – owned	302,684	261,780
Depreciation of tangible assets – right-of-use assets	650,712	556,476
Share-based payment charge	925,621	631,810
Loss on disposal of tangible assets – owned	5,552	3,383
Amortisation of intangible assets	3,177,886	2,013,642
Finance costs	56,806	21,064
Investment income	(812,363)	-
Operating cash flows before movements in working capital	220,992	(11,568,907)
Movements in working capital:		
Increase in receivables	(9,712,205)	(2,543,764)
Increase in payables	5,862,244	1,488,183
Cash used in operations	(3,628,969)	(12,624,488)

25. ANALYSIS OF CHANGE IN NET DEBT

Group	1 June 2022 £	Cash flows £	Non-cash changes £	31 May 2023 £
Cash at bank and in hand	40,474,368	(1,936,513)	-	38,537,855
Lease liabilities	138,202	(677,286)	1,397,535	858,451
	<u>40,612,570</u>	<u>(2,613,799)</u>	<u>1,397,535</u>	<u>39,396,306</u>

26. CONTROL

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

27. RELATED PARTY TRANSACTIONS

There are no related party transactions to be disclosed.

28. POST BALANCE SHEET EVENTS

Since 31 May 2023, 2 ordinary shares have been issued at nominal as part of the Company's pension reward share programme and employee share options were exercised, resulting in 2,834 ordinary shares being issued.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****29. 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 Regulations 2013 (CRR) imposes the ongoing CBCR reporting obligations on institutions in the United Kingdom within the scope of CRD IV.

The information contained within the disclosure is based on the financial statements of the Group and reflects the data as at 31 May 2023.

Country: UK

	2023	2022
Average number of employees	321	267
Net revenue (£)	28,734,014	10,105,134
Loss before tax (£)	(4,085,906)	(15,057,062)
Corporation tax (£)	-	-
Government subsidies received (£)	-	-

30. TRANSITION TO IFRS

In accordance with IFRS 1, a reconciliation is provided here of the Group and Company's equity and profit reported previously under UK GAAP to the equity and total comprehensive income reported in accordance with IFRS. The adjustments below reflect the requirement under IFRS to capitalise right of use assets and lease liabilities that meet the requirements of IFRS 16.

The following table shows the adjustments in the Consolidated Statement of Financial Position recognised in the Group:

Group			
Consolidated Statement of Financial Position (extract)	31 May 2021 under UK GAAP £	Transition adjustments £	31 May 2021 under IFRS £
Non-current assets			
Property, plant and equipment – right-of-use assets	-	638,660	638,660
Current assets			
Prepayments	1,290,202	(41,145)	1,249,057
Total impact on assets	<u>1,290,202</u>	<u>597,515</u>	<u>1,887,717</u>
Current liabilities			
Lease liabilities	-	597,515	597,515
Total impact on liabilities	<u>-</u>	<u>597,515</u>	<u>597,515</u>
Equity			
Retained earnings	(27,865,514)	-	(27,865,514)
Total impact on equity	<u>(27,865,514)</u>	<u>-</u>	<u>(27,865,514)</u>

There is no impact on the Consolidated Statement of Comprehensive Income in 2021.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****30. TRANSITION TO IFRS (CONTINUED)**

The following table shows the adjustments in the Statement of Financial Position recognised in 2021 for the Company:

Company	31 May 2021 under UK GAAP £	Transition adjustments £	31 May 2021 under IFRS £
Company Statement of Financial Position (extract)			
Non-current assets			
Property, plant and equipment – right-of- use assets	-	638,660	638,660
Current assets			
Prepayments	1,269,472	(41,145)	1,249,057
Total impact on assets	<u>1,269,472</u>	<u>597,515</u>	<u>1,887,717</u>
Current liabilities			
Lease liabilities	-	597,515	597,515
Total impact on liabilities	<u>-</u>	<u>597,515</u>	<u>597,515</u>
Equity			
Retained earnings	(27,384,426)	-	(27,384,426)
Total impact on equity	<u>(27,384,426)</u>	<u>-</u>	<u>(27,384,426)</u>

There is no impact on the Company's Statement of Comprehensive Income in 2021.

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****30. TRANSITION TO IFRS (CONTINUED)**

Group			
Consolidated Statement of Financial Position (extract)	31 May 2022 under UK GAAP £	Transition adjustments £	31 May 2022 under IFRS £
Non-current assets			
Property, plant and equipment – right-of-use assets	-	164,426	164,426
Current assets			
Prepayments	1,290,202	(46,443)	1,243,759
Total impact on assets	<u>1,290,202</u>	<u>117,983</u>	<u>1,408,185</u>
Current liabilities			
Lease liabilities	-	(138,202)	(138,202)
Total impact on liabilities	<u>-</u>	<u>(138,202)</u>	<u>(138,202)</u>
Equity			
Retained earnings	(42,794,941)	(20,219)	(42,815,160)
Total impact on equity	<u>(42,794,941)</u>	<u>(20,219)</u>	<u>(42,815,160)</u>

The impact on the Consolidated Statement of Comprehensive Income in 2022 was as follows:

	31 May 2022 £
Total comprehensive loss as reported under UK GAAP	(14,929,427)
<i>Transition adjustments</i>	
Administrative expenses	845
Finance costs	(21,064)
Total comprehensive loss as reported under IFRS	<u>(14,949,646)</u>

DIGITAL MONEYBOX LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****30. TRANSITION TO IFRS (CONTINUED)**

The following table shows the adjustments in the Statement of Financial Position recognised in 2022 for the Company:

Company	31 May 2022 under UK GAAP £	Transition adjustments £	31 May 2022 under IFRS £
Company Statement of Financial Position (extract)			
Non-current assets			
Property, plant and equipment – right-of-use assets	-	164,426	164,426
Current assets			
Prepayments	1,276,398	(46,443)	1,229,955
Total impact on assets	<u>1,276,398</u>	<u>117,983</u>	<u>1,394,381</u>
Current liabilities			
Lease liabilities	-	(138,202)	(138,202)
Total impact on liabilities	<u>-</u>	<u>(138,202)</u>	<u>(138,202)</u>
Equity			
Retained earnings	(41,209,579)	(20,219)	(41,229,798)
Total impact on equity	<u>(41,209,579)</u>	<u>(20,219)</u>	<u>(41,229,798)</u>

The impact on the Company's Statement of Comprehensive Income in 2022 was as follows:

	31 May 2022 £
Total comprehensive loss as reported under UK GAAP	(13,825,153)
<i>Transition adjustments</i>	
Administrative expenses	845
Finance costs	(21,064)
Total comprehensive loss as reported under IFRS	<u>(13,845,372)</u>