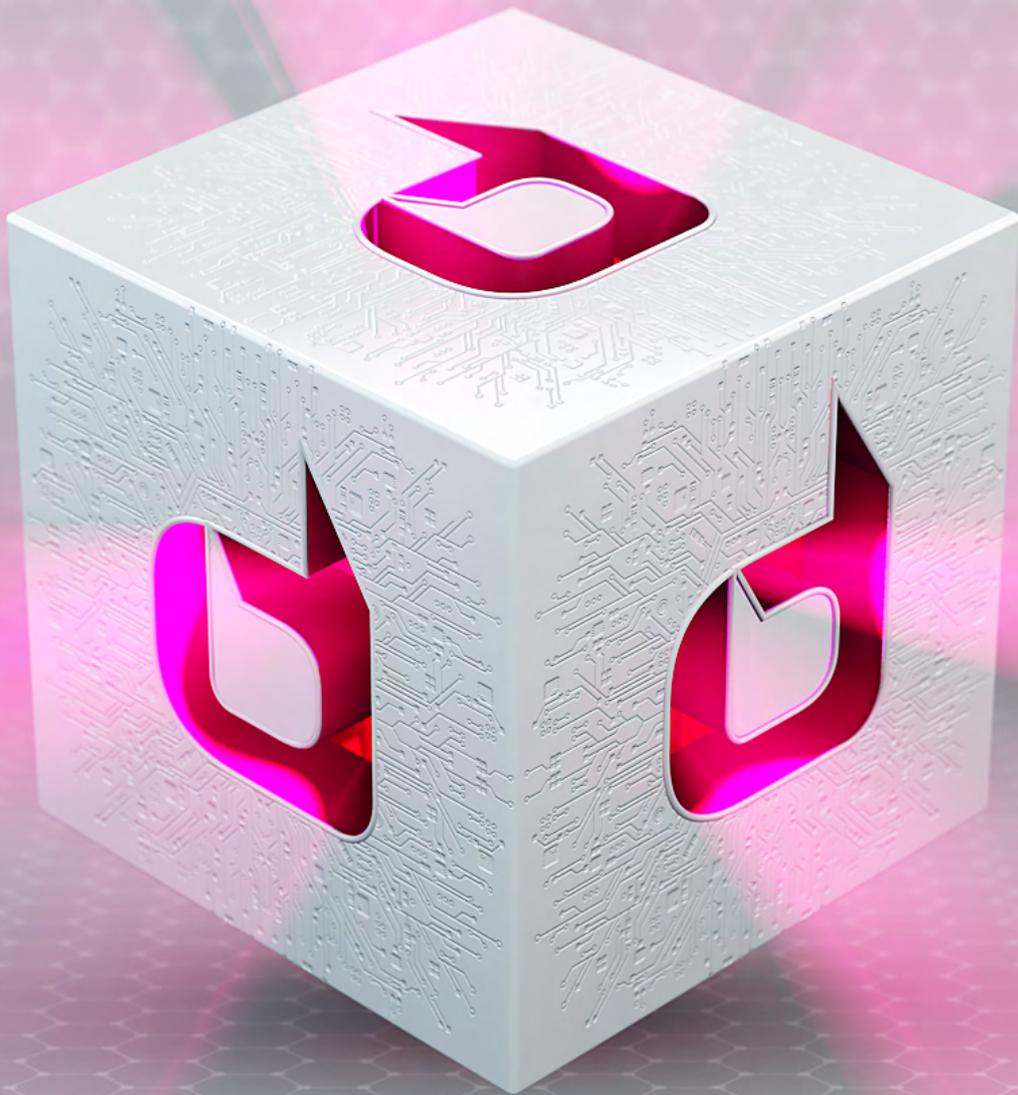


DIGITALBOX PLC
ANNUAL REPORT
AND ACCOUNTS
2023



CONTENTS	Page
Chairman's statement	3
Chief Executive's report	5 - 9
Strategic report	10 - 16
Corporate and social responsibility report	17
Corporate governance report	19 - 24
Audit Committee report	25 - 26
Remuneration Committee report	27
Directors' report	28 - 29
Directors' responsibilities statement	30
Independent auditor's report	31 - 35
Consolidated statement of comprehensive income	38
Consolidated statement of changes in equity	39
Consolidated statement of financial position	40
Consolidated statement of cash flows	41 - 42
Notes forming part of the consolidated financial statements	43 - 64
Company statement of financial position	65
Company statement of changes in equity	66
Notes forming part of Company financial statements	67 - 70
Directors, Secretary and Advisers	71

Chairman's Statement

FOR THE YEAR ENDED 31 DECEMBER 2023



After a challenging year for many media businesses, with audience volatility created by algorithm updates on key platforms and wider economic factors, I am pleased to report that Digitalbox plc ('Digitalbox') successfully delivered a positive Adjusted EBITDA* for 2023. While this represents a reduction on previous years, it marks the fifth consecutive year of profitable trading since being listed in 2019.

The business maintained its strategic focus on delivering a 'mobile first' media operation at scale, using leading technologies to optimise both audience engagement and commercial performance, while integrating bolt-on acquisitions that complement its operating model.

During the year, the management team focused on the delivery of this strategy, and successfully navigated a mix of macro and micro challenges. Specifically, the UK economy was subdued by high interest rates, the cost-of-living crisis and geo-political issues that impacted international markets. These issues had a knock-on effect on the global advertising market. Also, dominant platform owners Alphabet and Meta reported challenges resulting from these conditions. The result was a highly difficult trading environment.

We reported the local headwinds facing the business in the middle of the year as our biggest brand Entertainment Daily remained blocked by Google and our second biggest, The Tab, suffered a content strike that reduced the reach on one of its biggest Facebook

pages. Despite these headwinds, the team adapted and made headway with dealing with these issues in the latter part of the year. Digitalbox delivered full year revenue of £2.8m (2022: £3.6m) and positive Adjusted EBITDA* which were within market guidance.

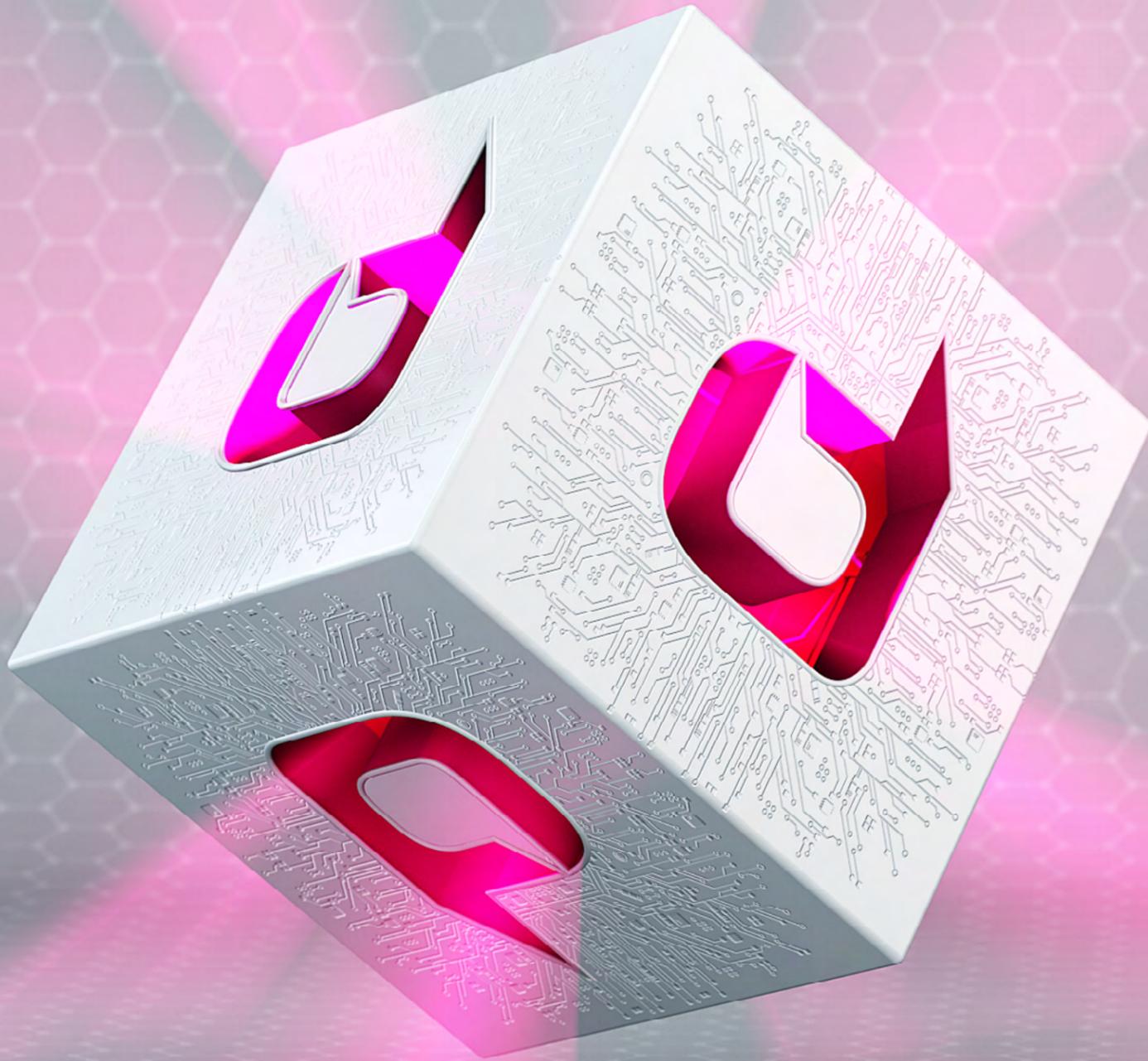
Digitalbox ended the year with gross cash of £1.9m, which is £0.9m down on the prior year, and with net cash (gross cash less bank debt) of £1.7m, which is £0.7m less than the prior year. This is chiefly due to the strategic value-enhancing bolt-on opportunities the team completed during the year. In accordance with Digitalbox's stated buy and build strategy, we added 12m followers from the four Media Chain Group pages we acquired, completed the purchase of tvguide.co.uk, while successfully integrating The Poke that we had acquired a few weeks prior to the start of 2023.

With an enlarged brand portfolio comprising Entertainment Daily, The Daily Mash, The Tab, The Poke and tvguide.co.uk and a doubling our social media follower base, the business is well placed to grow into 2024. We can potentially take advantage of further acquisition opportunities that the Directors believe trading conditions will likely bring to the fore.

Marcus Rich
Chairman
25 March 2024

*Adjusted EBITDA is defined as operating profit after adding back depreciation, amortisation, impairment, share based payments, acquisition costs and direct costs associated with business combinations





Chief Executive's Report

FOR THE YEAR ENDED 31 DECEMBER 2023



2023 was another important year for Digitalbox, as we expanded the portfolio of trading brands against a backdrop of challenging market conditions. With the first full year of trading of The Poke, which we acquired in December 2022, we can report the brand has already repaid 50% of its acquisition cost and is well positioned to benefit from a recovering advertising market. While tvguide.co.uk took

longer than expected to complete, the tech solution we rolled out has seen traffic improve and produce a better-than-expected advertising performance. This performance is a solid foundation for future development.

The year saw economic uncertainty stemming from a mix of post-pandemic structural changes, the war in Ukraine, high interest rates and the UK cost of living crisis which impacted consumer spending. Marketers continue to favour mobile digital media, which presents the most accountable and relevant commercial solution within the marketing mix. However, marketers acted and spent with much greater caution as the cost of living basics like heating and food significantly eroded household incomes.

Against this backdrop we developed our audience positions; the Directors believe the Company is now one of the most significant online publishers in the UK entertainment space and will benefit from the demand for quality mobile advertising inventory at scale.

Our positive year-end position of an expanded, profitable portfolio of trading brands has resulted from our knowledge, focus and agility. These attributes have allowed us to tackle the challenges we faced, while remaining focused on the positive macro trends attached to advertising within the mobile channel which we anticipate will grow ahead of the market.

“ An expanded, profitable portfolio – a solid foundation for future development. ”

FINANCIAL REVIEW

Full year revenue of £2.8m is 22% down on 2022. This headline is masking the volatility within this overall movement due to a challenging macro trading environment. The trading environment saw a 40% growth in the Group's underlying revenues in H1 2022 and a 27% reduction in H2 2022. Although we are disappointed to deliver a reduction in Adjusted EBITDA* compared to 2022, we are pleased to continue the trend of being consistently profitable with Adjusted EBITDA* of £20k, despite the aggressive market conditions.

Cash generation is a key feature of this business and, despite the challenging trading conditions leading to a year-on-year revenue reduction of £0.8m, the cash generated by operations was £0.2m. The business ended the year with gross cash at the bank of £1.9m, which is £0.9m lower than last year. This is despite having invested £1.0m in intangible assets, via the two acquisition of assets made, and spending £0.1m in loan and lease repayments.

The challenging conditions within capital markets, coupled with the increased base rate, has led the Board to consider the weighted average cost of capital discount rate when considering the carrying value of goodwill and intangible assets in the balance sheet. This, together with a significantly reduced cash generation from Entertainment Daily due to →

the prevailing economic conditions and the content distribution issues caused by Meta and Google policy and algorithm changes, has led to an impairment charge of £6.4m against the carrying value of goodwill in relation to Entertainment Daily, plus a consequent £5.0m impairment charge on the carrying value of the investments in the Company balance sheet.

OPERATING REVIEW

Digitalbox owns and operates five trading brands – Entertainment Daily, The Daily Mash, The Tab, The Poke and TV Guide. Entertainment Daily produces and publishes online UK entertainment news covering TV, show business, and celebrities. The Tab is the UK's leading student and youth culture site fuelled by a London-based core team and a national network of 30 local university sites. The Daily Mash delivers online satirical news articles in its own distinctive style and The Poke expertly curates the funniest content from around the web and social media. TV Guide delivers the latest information to UK consumers about what to watch and when, ensuring they don't miss out. All five brands generate revenue from advertising in and around the content they publish, and the Daily Mash has also diversified into a paid subscription model.

While 2023 was a year of uncertainty, it demonstrated the effectiveness of the digital advertising medium as its share grew to 67% of global ad spend. Post-pandemic trends continue to evolve and the adoption of ecommerce via the most personal of channels, the mobile device, will continue to drive demand for quality inventory.

With Digitalbox's lean operating model, the Company believes it is well positioned to push forward with our strategy and remain well placed to benefit from the forecast growth in mobile ad spending over coming years. Above and beyond the macro conditions that impacted most industries in 2023, Digitalbox was impacted by two specific issues aligned to Alphabet (Google) and Meta (Facebook). Google algorithms blocked our biggest brand Entertainment Daily and Facebook – unjustly in our view – sanctioned a key social page for The Tab's coverage of a popular Netflix documentary about the serial killer Jeffrey Dahmer, deeming it as 'promoting a dangerous individual'. Both issues are showing signs of a potential resolution.

Despite the challenges thrown up by the two platforms, our publishing operations for the year saw 239m visits to our websites. As well as successfully integrating The Poke and TV Guide, we established some very strong engagement with the Media Chain Group assets that we acquired and plan to build this further into 2024. Further, there was underlying commercial success as we saw significant year-on-year growth in the Poke and Tab session values over the 12 months and the whole portfolio of trading brands performed ahead of the market.

Compelling content remains at the core of the Digitalbox offering, created by talented teams with an expert understanding of their respective audiences' needs. As part of this being an increasingly important factor in website ranking, we have invested in greater visibility of our teams across expanded author pages on the respective websites. We marry the expertise of these highly valued staff members with our proprietary mobile-first tech stack, Graphene. Named after the incredibly fast, light, super-conductive material, Graphene has been developed to deliver the best user experience through the fastest and lightest page load speeds on mobile.

Alongside this highly optimised, low-friction content delivery, the commercial element of the Graphene suite, the Graphene Ad Stack (GAS) now powers the advertising monetisation of Entertainment Daily, The Daily Mash, The Tab, The Poke and TV Guide. We are seeing significant value creation here on The Poke and TV Guide as improved data from our deployment of GAS has enabled it to significantly grow advertising

Projected Global Digital / Mobile Ad Spend



*Source: eMarketer, March 2023 <https://www.insiderintelligence.com/content/digital-ad-spend-worldwide-pass-600-billion-this-year>

session values since the early stages of our ownership of both brands. As our portfolio expands, GAS's role in optimising revenue performance across the business and speeding the route to enhanced profitability for acquired properties is key for us.

The Tab has proved to be a great success since its acquisition at the end of 2020 having fully paid back its purchase costs within the first two years. We are tracking to achieve similar results on The Poke and hope to do the same on TV Guide. We continue to evaluate further acquisition opportunities and have seen an increase in opportunities as other publishers with lower margin headroom endured the challenging trading conditions of 2023. We remain ready to move quickly where we can realise the appropriate value.

The Digitalbox team was maintained in scale during a turbulent 2023 to ensure capacity for growth on our existing brands and to ensure any acquisitions can be quickly integrated, whilst operational efficiencies will remain strong.

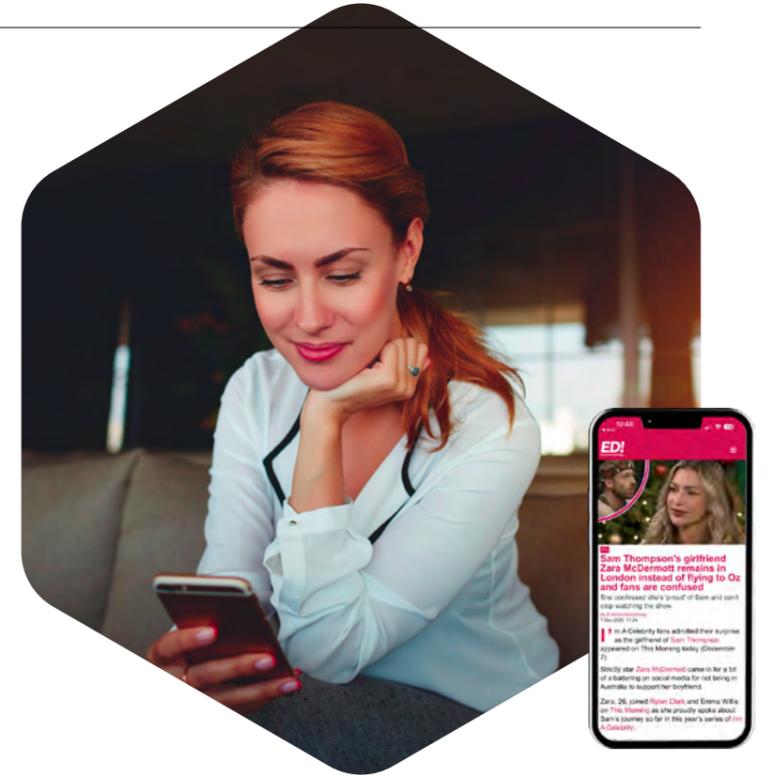
LEADING AS A MOBILE-FIRST BUSINESS

Our strategy to create a mobile-first business has helped position us as a leader in the market for both audience engagement and monetisation. Push media skills remain critical, and our brands engage consumers at scale through this channel with 91% of our audience across the portfolio visiting on mobile devices. With an average of 20m monthly user visits to our sites, we present truly significant user scale to the market especially when combined with our capacity to engage.

Mobile advertising spend was growing well ahead of the economic issues that emerged in H2 2022 and we anticipate its acceleration as we emerge from this challenging period in 2024. As part of our Graphene technology suite that supports our mobile-first strategy, we are building a single site template for all our brands which enables optimisations to be rapidly applied across the portfolio. As previously reported, our GAS set up on The Poke quickly drove it to profitability and we are seeing similar results on TV Guide. This will give Digitalbox a distinct advantage as we look to further optimise our existing portfolio, complete more acquisitions, build new sites and benefit from the forecast growth in the digital ad market.

PORTFOLIO GROWTH

Television listings site TV Guide is the most recent addition to the Digitalbox portfolio, with its acquisition completing in October 2023. We feel the site is an excellent stablemate for Entertainment Daily with a distinct proposition and relationship with



Entertainment Daily's regular editorial output. It brings over 1m monthly users.

The Poke, as detailed previously acquired at the end of 2022, had a strong first year of full trading with a focus on unlocking the brand's commercial potential, with like-for-like revenues growing by over 80%.

Entertainment Daily saw an overall reduction in sessions (visits) of 27% year-on-year largely as result of Google algorithms drastically reducing its appearance in their search and Discover feeds. Google accounted for 25m sessions in 2022 so it is good to be making headway towards a resolution in 2024. Facebook performed comparatively well across the year given the reported challenges faced by other publishers. The editorial team continued to hit all the TV and showbiz stories as the news broke, maximising traffic and social engagement around moments that caught the nation's imagination. This year also saw the second annual Entertainment Daily Awards, along with expanded social amplification through the new Soap Daily page and the acquired Media Chain Group pages.

The Tab continues to make a consistent positive contribution and is growing its advertising session values significantly ahead of the market. There was strong growth of 25% year-on-year. Editorial campaigning for key issues connecting with the →



student demographic continued to produce national media pick-ups, alongside its established output of entertainment and culture coverage. While the site had to ride out the challenge of the Facebook strike, this has been resolved for 2024. We continue to leverage the existing Tab portfolio of Facebook pages, the newly acquired Media Chain Group pages and are growing our TikTok and Instagram followers.

The Daily Mash had a year of transition as we progressed our consumer-revenues strategy, informed by the brand's loyal audience and genuinely unique content. Subscription sign-ups grew by over 180% across the year. Although the TV show was not continued by UK TV due to challenges faced by its Dave channel, we managed to create some significant engagement testing short form video content across multiple social channels including Tik Tok and Facebook and this informs how we move forwards.

Corporate Highlights

REVENUE

£2.8m vs £3.6m in 2022

ADJUSTED EBITDA MARGIN

0.7% vs 30.2% in 2022

*Adjusted EBITDA is defined as the operating profit after adding back depreciation, amortisation, impairment, share based payments, acquisition costs and direct costs associated with business combinations.

CULTURE AND PEOPLE

We remain focused on creating a culture that enables talented people to do their best work. Even before the pandemic that meant being flexible and agile rather than harbouring traditional views of office culture or adopting a one-size-fits-all approach. We continue to mix office-based roles and remote working arrangements, full-time and part-time positions, staff and freelance contributor agreements to marry the needs of the business with those of our people. A hybrid scenario of both home and office working is what we have found most successful.

Good communication and a sense of inclusion are important to us, so we continue to publish monthly all-staff updates on progress and stage weekly leadership sessions alongside daily team meetings. Alongside this, we hold two annual all-staff gatherings, with this year's summer event a murder mystery themed conference at Oakley Hall in Hampshire and literary themed event in London's Bloomsbury for Christmas.

Recruiting and retaining great people is crucial to our growth. Our success hiring younger talent on Entertainment Daily through its apprentice programme has continued along with training and development for more senior staff. The Daily Mash and the Poke brought on new contributors and The Tab continues to offer free and highly relevant training initiatives for its network of student journalists.

Everyone at Digitalbox benefits from the company's life assurance and pension schemes and we aim to ensure our staff are rewarded fairly and have opportunities to progress within the business. All team members and their dependents have access to our free wellbeing and support programme including

personalised healthy eating and exercise plans, mental health support, legal and medical advice and ways to prevent burnout. A share options scheme also exists for senior staff.

I would like to take the opportunity to thank all Digitalbox staff for their incredible hard work and enthusiasm during a challenging last year and their valuable contribution to enable us to position the building blocks for future growth. As the company continues to expand its portfolio it's a pleasure to be working with such a talented and committed team.

BUSINESS OUTLOOK

Since listing on the AIM market of the London Stock Exchange in 2019, Digitalbox has continued to develop as a profitable UK digital media business positioned squarely in the mobile space.

Despite the highly challenging macroeconomic environment of 2023, global digital advertising spend is forecast to grow by more than 40% in the next four years. The consumer and market reaction to both economic and health-related turbulence of the last few years has accelerated the trends which benefit Digitalbox, pushing the business to the forefront as mobile devices' share is forecast to shift from 67% of all digital ad spend in 2023 to 73% in 2027 and our content and tech teams continue to strengthen delivery through this channel.

Beyond the advertising market, TV continues to be highly competitive with the battle for share pushing all participants towards higher quality content. The streamers' optimum operating models have yet to settle and the terrestrial channels face the pressure of this changing landscape, yet the quality of the output continues to grow to benefit our audiences and fuel the information they crave from publishers like Digitalbox. This increasingly competitive market stimulates our various audiences leading to big shows like I'm a Celebrity Get Me Out Of Here and Love Island showing strong engagement across our properties in 2023.

The four acquisitions completed since being listed on AIM – The Daily Mash, The Tab, The Poke and TV Guide – have all proved the potential of our model, giving us confidence we can continue to create growth within the portfolio and make further acquisitions when the fit is right.

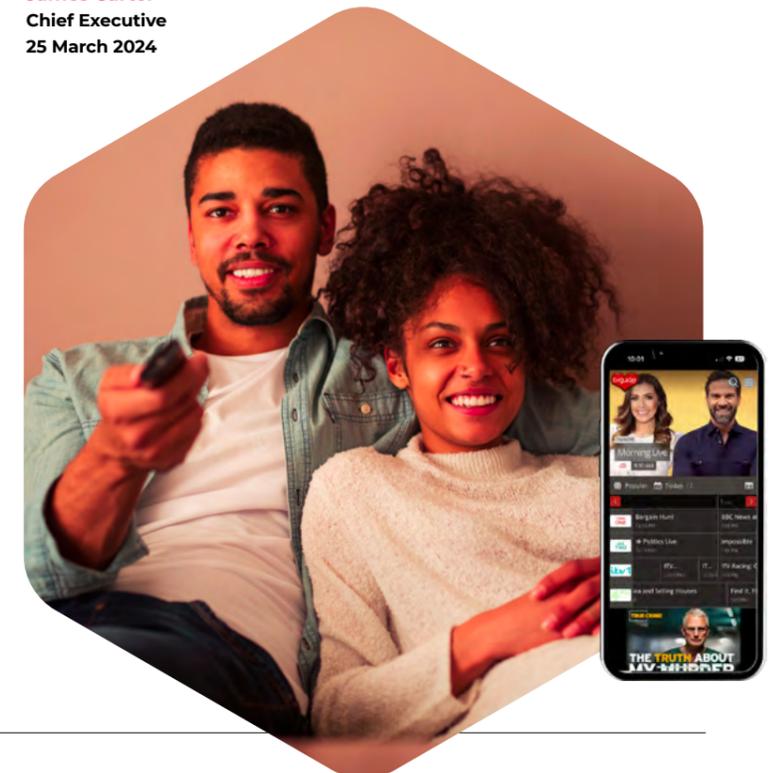
While H1 2022 saw a strong recovery from the pandemic, the markets adjusted to work with the new realities of the economic landscape in mid-year and continued throughout 2023. The trend towards a more cautious approach to marketing spend was stimulated by the previously mentioned macro

international uncertainty driven by war and spiralling interest rates alongside the UK's cost of living crisis. As consumer spending power recovers in line with declining interest rates and greater political certainty is installed, we expect the advertising market will bounce back.

Our view is that Digitalbox's position in the open advertising market is a good place to be as it can adapt in real time, with high-quality inventory always in demand. Global commentary points towards a measured market recovery in 2024 with a full return forecast for 2025. We have no reason to doubt these predicted improving conditions and are confident the business is very well placed to benefit from the returning market.

Our audience sourcing is now more diverse and balanced than at any time in the Company's history, which offers greater stability. We enter 2024 with an expanded trading brand portfolio primed for future growth, alongside a returning economy and a confident digital advertising sector expected to significantly increase its share of global ad spend over coming years.

James Carter
Chief Executive
25 March 2024



Strategic Report

The Digitalbox Vision

We set out to build a new digital media business; one driven by profit and efficiency delivering high quality content engaging users at speed and scale.

Our aim remains to generate organic growth of our existing assets and to acquire and transform digital media properties with the potential to thrive through the application of the Digitalbox model.

We have a proven ability to grow at speed by focusing on current and future trends; rapidly adapting to technical advances and the habits of our audience, free from legacy issues that frequently cause distraction in other media businesses.

CONSUMER MEDIA BEHAVIOUR

The Digitalbox publishing model was informed by the recognition of the growth of 'push media' consumption, especially on mobile – where the most highly engaging and relevant content from publishers is placed in users' feeds based on trending topics, article performance and their own behaviours and interests.

Content-surfacing algorithms continue to be refined, delivering a better user experience and higher rates of engagement resulting in more time being spent within the respective gateways to this content.

Meta, Alphabet, TikTok and X continue to compete for consumer attention through 'push media' consumption, and it is the publishers with the most engaging content that will continue to benefit from this competition. Google continues to develop its push content strategy via the Discover feed which is now making billions of content suggestions and Meta is placing a greater focus on its content tools being more fully integrated across its platforms in a bid to better enable creators and satisfy their audiences. TikTok is taking audience share from all of the key platforms and its predictive content model points the way towards the use of AI which will become increasingly important over the next few years.

Targeting consumers via an array of distribution channels is one thing, but having the ability to profitably operate in those channels is where the real skillset lies.

Whilst the major platforms continue to evolve their AI models, consumers continue to support other push

media sources too and as a result, we will continue to see growth opportunities.

RELEVANCE

Our business is currently built around a UK audience focus which brings distinct benefits across our key disciplines:

- Our editorial content resonates strongly with our audiences, keeping our readers coming back again and again.
- Our key advertiser relationships all have a significant presence in our local market which is one of the world's most advanced marketing economies and they place the greatest value on high-quality UK traffic.

GROWTH THROUGH 'BUY AND BUILD'

On our admission to AIM in February 2019, Digitalbox outlined a strategy to make investments in its existing portfolio and perform acquisitions to grow the business. We intended to identify targets within markets that offer natural synergies with our ongoing operations and also to expand our existing assets into areas where there is a clear appetite from our audiences.

The completion of the TV Guide transaction in 2023 marked our fourth acquisition after The Daily Mash in 2019, The Tab in 2020 and The Poke in 2022. Early results have been pleasing as we have been able to improve the brand's commercial performance through the application of our Graphene Ad Stack and improve its technical performance and efficiency.

We will continue to target and screen acquisitions that best align with our processes and enhance our existing portfolio to deliver the strategic vision. We will also continue to develop new content verticals that offer the opportunity to scale our existing portfolio.

AUDIENCES THAT ARE IN DEMAND

Entertainment Daily reaches a core demographic of 25+ year old UK women; the power brokers of UK shopping. Being frequently in charge of the household budget they are passionate about the territory they control. They love brands that provide status and are always on the look-out for great deals they can share with their friends.

The Daily Mash is consumed by savvy UK independent thinkers. These educated professionals respond to the brand's pitch-perfect skewering of the rich and infamous and its inventive and surreal takes on the absurdity of modern life. Influential among their peers thanks to their own finely-tuned view of the world,

“ We have a proven ability to grow at speed by focusing on current and future trends. ”

they are seen as selective and discerning. These 25-54 year olds are power-sharers of digital media who even in these challenging times continue to spread a smile.

The Tab was founded by three students at Cambridge in 2009 as a reaction to out-of-touch student papers. Since then it has exploded into one of the biggest sites in Britain, speaking directly the UK's youth. They are the generation tasked with more responsibility than any other in the last 50 years. It will be their reinvention that heals the planet, that creates new ways of working and cares for our ageing population. The leaders of tomorrow, the global citizens who need to think in a more measured and considered fashion.

The Poke was founded in 2010 and has since delivered a uniquely entertaining editorial mix, captivating fans with an expertly curated blend of the funniest tweets, comments, videos and reddit discussions as the world reacts to trending news and life in general. Its well-balanced audience of males and females sit primarily →



OUR APPROACH

We believe in order to be successful in today's media environment a business, its brands and its people must be:

ENGAGING

The internet is dominated by platforms that compete for engagement and media brands that deliver the highest levels will prosper. Our teams' passion for their subjects, understanding of their audiences and expertise in producing truly compelling content, consistently deliver market-leading levels of engagement.

FAST

Audiences' expectation levels are higher than ever and their attention spans are lower. Our content and tech teams obsess about getting the best stories to their readers as quickly as possible.

FLEXIBLE

Digitalbox is a mobile-first media company for the simple reason that this is where consumers have congregated. Our future strategy will be shaped by continuing to move with our audience. This will inevitably require flexibility as different platforms go in and out of favour and different devices emerge. We know tomorrow will be different.

EFFICIENT

Efficiency matters because we regard profitable operation as the key to longevity. The digital market has seen many long bets against models that fail the profit test. Our teams use every tool to maximise their impact and efficiency.



MOBILE-OPTIMISED GRAPHENE TECH PLATFORM

Graphene is our scalable and dynamic mobile-first platform. This tech stack consists of a blend of technologies allowing our websites to flourish through an efficient, light touch content delivery approach. This brings significant advantages to how our sites are experienced by users and also ranked by the key platforms – especially Alphabet and Meta – as they evaluate the preferred destinations for users.

Further, our Graphene Ad Stack (GAS) maximises mobile profitability, which has been used to great effect more than doubling the session values on The Tab since early 2021, those of The Poke by 300% YOY in December 2023 and also enhancing TV Guide.

Graphene also enables us to realise tech and serving costs on the acquisitions we make.

Graphene will continue to evolve via our tech roadmap for 2024.



Operational KPIs

ONLINE SESSIONS

239 million

(2022: 293m)
(2021: 273m)
(2020: 221m)
(2019: 225m)

Visits to Digitalbox's websites

MOBILE USERS

92 million

(2022: 110m)
(2021: 108m)
(2020: 59m)
(2019: 35m)

Numbers of users visiting sites on mobile and tablet devices

UK AUDIENCE

71 million

(2022: 76m)
(2021: 76m)
(2020: 51m)
(2019: 37m)

Users of Digitalbox's websites based in the UK

SOCIAL FOLLOWERS

20 million

(2022: 8m)
(2021: 7.0m)
(2020: 6.7m)
(2019: 3.5m)

Social followers of Digitalbox's properties

2023 Figures include full year Google Analytics & Parse.ly audience figures for Entertainment Daily, The Daily Mash, The Tab, The Poke and two and a half months of TV Guide since mid October 2023. Social Followers includes current followers of associated pages on Facebook, Twitter, Instagram and TikTok.

→ in the 25-54 age bracket, loving The Poke's up-to-the-minute takes on the biggest, best and most bizarre stories of the day.

TV Guide is the UK's longest-running digital-only TV listings brand, providing its users with detailed episode guides, video previews, ratings and recommendations of everything worth watching on more than 300 channels. It's the destination of choice for UK TV addicts. TV Guide's audience is 57/43 male/female split with 25-54 year-olds the core age demographic.

The five audiences have further scope for growth in isolation and for cross-fertilisation across the portfolio.

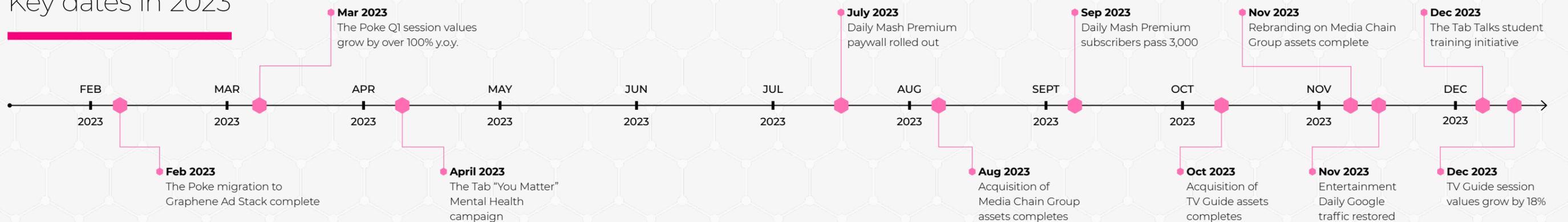
PORTFOLIO DEVELOPMENT

While profitability is key, we continue to invest in the existing business. 2024 will see additional development of content, distribution strategy and tech on Entertainment Daily, The Tab, The Daily Mash, The Poke and TV Guide as we aim to strengthen all aspects of our publishing operations.

We are also developing a 'verticals' programme to test how quickly and efficiently we can bring to market niche sites to complement the existing portfolio.

Further detail on business performance can be found in the Financial Review and Operating Review sections of the Chief Executive's Report beginning on page 5.

Key dates in 2023



Highlights

As noted, 2023 saw encouraging progress across the portfolio, including:

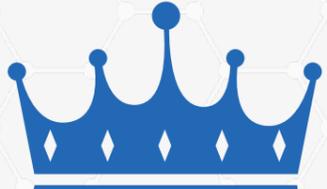
ENTERTAINMENT DAILY



GOOGLE TRAFFIC RETURN Q4

1.3M MORE SOCIAL FOLLOWERS

THE DAILY MASH



OVER 25M VIDEO VIEWS

180% GROWTH MASH PREMIUM SUBSCRIBERS

THE POKE

300% GROWTH IN SESSION VALUES YOY

25% GROWTH IN EDITORIAL OUTPUT

DIGITALBOX GROUP

EXPANDED PORTFOLIO

150% GROWTH IN SOCIAL FOLLOWERS

3bn+ AD IMPRESSIONS IN 2023

MOBILE-FIRST 91% MOBILE USERS

DIVERSIFIED TRAFFIC SOURCING

THE TAB

25% GROWTH IN SESSION VALUES

14m TOTAL SOCIAL FOLLOWERS

TV GUIDE

NEW PLATFORM DELIVERED

18% GROWTH IN SESSION VALUES IN FIRST 3 MONTHS

RISKS AND UNCERTAINTIES

The Board considers risk on an ongoing basis and feels it is important to identify risks, form an objective view on the impact of these risks, to consider mitigation plans to counterbalance them and to keep them under constant review. The risks are those which the Board considers, as at the date of

this report, are the most critical to the continued operation of the Group. The risks described do not represent the totality of the risks facing the Group and should not be relied on as such by any person considering any investment decision in relation to the Company's ordinary shares. **■**

RISK	POTENTIAL IMPACT	MITIGATION & CONTROL
Deviation from strategy	A failure to implement the Group's strategy is likely to lead to the business missing its trading targets which will have an adverse knock-on effect on its cash flow prospects. Further, its growth prospects could be impacted with a consequent negative impact on shareholder value.	The Board meets regularly to monitor the path of the business with the non-executive directors objectively challenging the executives over the performance of the business and its adherence to the agreed plan.
Reliance on key online media platforms	In common with all media businesses globally, the Group uses online media platforms to market and distribute its content which, in turn, drives consumers to its sites which enables monetisation.	The Group monitors the balance of traffic sources in its ongoing operations and when considering acquisition targets and also works to respond to key algorithm changes.
Detrimental algorithm changes & content policy strikes	Traffic sourcing remains an ongoing challenge for all media companies as the key platforms adapt the way they rank and prioritise websites for exposure to their users. Also, if content is flagged correctly or incorrectly for a policy violation by one of the platforms the ability to reach audience is negatively impacted for a period.	Digitalbox constantly monitors performance via the key platforms and makes ongoing adjustments to its set-up to optimise the results alongside the use of specialist consultants who advise with broader industry knowledge. In the event of content policy strikes the Group follows the relevant appeals policy.
Competition	A new entrant into the Group's market could divert our share of the time our audience has to consume its content, reducing session numbers. This would have an adverse effect on the number of adverts the business can serve, hence reducing the revenues the business would generate.	There is nothing the Group can do to stop new entrants. However, it can continue to provide highly engaging content at speed encouraging its consumers to remain engaged and loyal.
Cash flow	A significant downturn in the trading performance of the Group would have an adverse effect on the Group's cash reserves.	The business has substantial cash reserves, is very profitable, has a very low capital expenditure requirement and pays close attention to its cash flow forecasts.
Downturn in advertising spending	A material decline in UK mobile digital advertising spend would have a significant impact on the Group's revenues and profitability. Also, technologies which may limit the Group's ability to effectively monetise the audience it attracts, including but not limited to brand-safety tools and ad blockers could impact revenue and profitability.	The Board stays abreast of the wider economic climate, market trends and advertising forecasts and – through close relationships with advertising partners – is well informed about current and coming developments. It has demonstrated an ability to grow revenues during periods of significant change (including the introduction of GDPR).
Cyber-attack	A cyber-attack or malicious action could result in the loss of data, loss of revenue due to service outage or loss of cash due to fraud. These actions could be from external parties or disaffected current or former employees.	As the business is a digital media business, it has an enhanced understanding of the challenges posed by cyber fraudsters. The business has a robust data protection policy, robust data protection and network access controls and carries appropriate cyber-crime insurance.
Bolt-on acquisitions	As a business planning on scaling through the acquisition of businesses that complement the Digitalbox portfolio, there is risk attached to the process in three key areas: price being paid, quality of due diligence undertaken and the risk attached to integrating the acquisition into the business.	The Group uses consultants to help the process of acquiring new businesses so we have a triple screening process through the executive team, consultants and then the Board.
Staff retention	Competition for high-quality staff and increased mobility owing to remote working may put pressure on the ability to recruit and retain staff.	The nature of the work provided by Digitalbox is regarded as inherently attractive mitigating the likelihood of staff churn.
Inflationary pressures	The global cost of living crisis is creating inflationary forces, leading to higher operating costs, reducing profitability.	These pressures within the Group are largely confined to impacting on payroll and may ultimately feed through into higher advertising rates, offsetting the issue to an extent. The Group also believes that inflationary pressures may create further opportunities to acquire targets. →

RISKS AND UNCERTAINTIES (continued)

RISK	POTENTIAL IMPACT	MITIGATION & CONTROL
Management Succession Planning	Loss of the knowledge and experience of any senior staff leaving the business may impact performance if a suitable successor cannot be identified in a timely manner.	Potential successors within each team are informally identified by the COO & CEO; a pragmatic approach best suited to the business' lean structures.
ESG strategy & Implementation	The business may need to update and communicate its policies in order to meet evolving governance criteria.	Update included in 2023 Corporate and Social Responsibility Report
Artificial Intelligence	Progress particularly in the field of Generative AI may create significant disruption including but not limited to the areas of content creation, search traffic and user behaviour. As a result, all online media outlets are likely to experience opportunities and challenges as this rapidly evolving technology develops.	The business will trial and adopt these technologies where there are opportunities to better equip its teams to increase the efficiency, quality and quantity of content output and enhance other operational areas. The business will apply the agility demonstrated in the past to adapt.

Section 172 of the Companies Act 2006 requires that the Directors act in a way that they consider, in good faith, would most likely promote the long term success of the business taking into consideration the interests of its shareholders and other stakeholders. The table sets out our key stakeholder groups, their interests and how the Group engages with them.

STAKEHOLDER	WHY WE ENGAGE	HOW WE ENGAGE
Our shareholders	We maintain and value regular dialogue with our shareholders throughout the year and place great importance on our relationship with them. We know that our investors expect a comprehensive insight into the financial performance of the Group, and awareness of long-term strategy and direction. As such, we aim to provide high levels of transparency and clarity of our results and long-term strategy and to build trust in our future plans.	<ul style="list-style-type: none"> Regular reports and analysis on investors and shareholders Annual Report Company website Shareholder circulars AGM RNS announcements Press releases
Our employees	Without our employees we wouldn't have a business. Effective employee engagement leads to a happier, healthier workforce who are invested in the success of the Group. We strive to address any employee concerns regarding working conditions, health and safety, training and development, as well as workforce diversity. Engagement with our employees starts from the top and is driven effectively throughout the Group.	<ul style="list-style-type: none"> Evaluation and feedback processes for employees and management Competitive rewards packages Encouraging employee training and development
Regulatory bodies	The Group's operations are subject to a wide range of laws, regulations, and listing requirements including data protection, tax, employment, environmental and health and safety legislation, along with contractual terms.	<ul style="list-style-type: none"> Company website RNS announcements Annual Report Direct contact with regulators Compliance updates at Board Meetings Consistent risk review
Our customers	Our relationship with our partners is collaborative and we are in constant dialogue to provide support and analytics as required. We listen to and engage with our customers on a regular basis to ensure that we understand their needs and can provide solutions that address them. We work hard to ensure that customer concerns are dealt with in a timely and professional manner.	<ul style="list-style-type: none"> Continual dialogue and review of feedback from customers to ensure satisfaction
Our suppliers	We have a number of key suppliers with whom we have built strong relationships with. We establish effective engagement channels to ensure our relationships remain collaborative and forward focused, and to foster relationships of mutual trust and loyalty.	<ul style="list-style-type: none"> Taking a collaborative approach to problem solving with our suppliers Clear parameters are given, backed-up by written agreements where required, to ensure the Group and supplier's actions are co-ordinated

Corporate and Social Responsibility Report

The Group aims to operate ethically and be socially-responsible in its actions. Below are a number of the approaches through which this is achieved.

BUSINESS CONDUCT, ETHICS AND ANTI-CORRUPTION

The Group is committed to ensuring high standards of business conduct and has adopted policies in support of this including an Anti-Bribery & Anti-Corruption policy and an Equal Opportunities & Anti-Harassment policy.

SAFEGUARDING CONSUMERS' DATA

The Group is committed to safeguarding its consumers' data and only use this information where express permission is granted and solely for the purpose specified. The Group holds registrations with the ICO and follows its guidelines to ensure it remains fully compliant with GDPR.

RELATIONSHIP WITH EMPLOYEES

The Group encourages an environment of openness and debate and welcomes all feedback from within.

Details of the Group's performance are shared with all employees at appropriate times via face-to-face meetings where safe to do so, virtual meetings, email updates and the Group's corporate website.

The Group expects a high standard from its staff and provides support to achieve this. Where possible, as new roles in the organisation arise, the Group aims to promote from within.

The Group is committed to fostering new talent and runs a successful apprenticeship programme, often hiring candidates into full-time roles on completion of their apprenticeship.

The Group offers flexible working arrangements for its staff including remote working and part-time contracts.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As the Group's activities are focussed on publishing digital content only, it has inherently a low carbon impact;

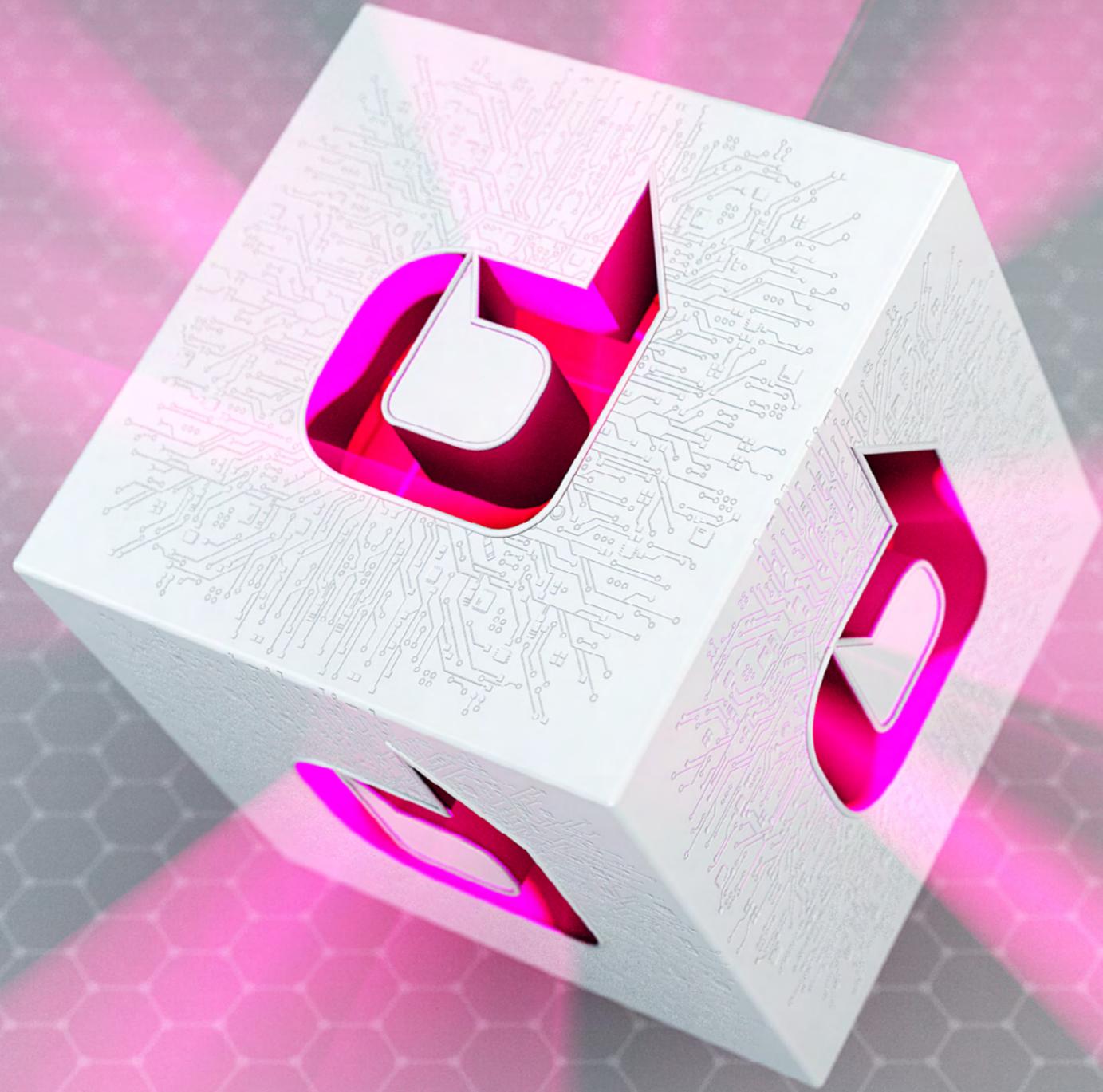
- The Group has only 32 employees who are located in two serviced offices and/or in their own homes.
- These employees create content using standard laptops, Macbooks, tablets and mobile phones which is, in turn, stored on managed cloud based servers outside of the immediate control of the organisation.
- The Group does not process or manufacture any physical product and does not consume any physical raw material other than office stationery.
- There is negligible international travel.

The immediate boundary of the Group is defined as the serviced offices and homes that the employees work in and the energy consumed results from the lighting, heating and powering of those work spaces. Good practice requires organisations to report across the following three scopes;

- Scope 1 (Direct) GHG Emissions - These include emissions from activities owned or controlled by the Group that release emissions into the atmosphere. They are direct emissions. Examples of Scope 1 emissions include emissions from the use of light, heat and power at the serviced offices and in employees' homes, which is considered as within the Group's immediate boundary.
- Scope 2 (Energy Indirect) Emissions - These include emissions released into the atmosphere associated with the Group's consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of the Group's activities, but which occur at sources you do not own or control such as cloud based managed server facilities.
- Scope 3 (Other Indirect) Emissions - The include emissions that are a consequence of the Group's actions, which occur at sources which the Group does not own or control and which are not classed as Scope 2 emissions. Relevant examples of Scope 3 emissions are business travel by means not owned or controlled by the Group.

The Group will start to capture emissions data in these three categories commencing in 2024.





Corporate Governance



Corporate Governance Report

DIGITALBOX AND THE QCA CODE

Digitalbox PLC is committed to good corporate governance and has adopted the corporate governance guidelines of the Quoted Companies Alliance (QCA).

This section outlines the ways in which the Group applies the QCA's ten principles of corporate governance.

1. Establish a strategy and business model which promote long-term value for shareholders

Digitalbox aims to become a leading publisher of

digital media. The Group intends to achieve this through a buy-and-build strategy with a focus on profitable publishing on mobile devices. This strategy is aligned with consumer behaviour and commercial trends.

The Group will create and deliver compelling content for its audiences via the web properties it owns now and will own in the future. This content will engage audiences and in turn create valuable environments for advertisers to reach them.

The Group intends to deliver long-term value for shareholders through its understanding of consumer media consumption, the arising revenue opportunities

including advertising and a continued focus on the operating profitability of its brands.

More detail on strategy can be found in the Strategic Report starting on page 10.

2. Seek to understand and meet shareholder needs and expectations

The Group is committed to building and maintaining strong relationships with its shareholders and considers the understanding of shareholder's needs fundamental to its success.

The Chief Executive Officer and Chief Financial Officer are active in meeting with and preparing presentations for institutional investors and engage in regular dialogue with the Group's brokers in order to gauge shareholder sentiment.

The Group's Annual General Meeting (AGM) is the main forum for discussing matters with shareholders, addressing shareholder queries and understanding their needs and expectations. Notice of the AGM and proposed resolutions are sent to shareholders at least 21 days prior to the AGM. Shareholders and their representatives are invited to fully participate and vote in the AGM and are also given the opportunity to vote by proxy. Voting results are published after the AGM. →



James Carter
Chief Executive Officer

James joined Digitalbox in 2016 and is responsible for the strategy, direction and day-to-day running of the business. He has a proven track record in building value in the media industry, within both public and limited companies. As part of the founding executive team at Factory Media, he drove the business to achieve a significant exit to Forward Internet Group. Prior to the creation of Factory Media, James was NPD Director at Dennis Publishing and Publishing Director at EMAP plc where he had responsibility for FHM. FHM grew from a fledgling fashion focused magazine to a global network of 32 editions and a value at its peak of over £250m.



Jim Douglas
Chief Operating Officer

Jim oversees editorial operations at Digitalbox and has previously held strategic and profit responsibility for successful media brands in sectors including film, music, games, sport and automotive. He has led creative teams in both UK and US. He started his career at EMAP plc as a journalist and in the early 90s he joined start-up business Future Publishing, which eventually became and remains a listed company. At Future, Jim held the position of Editorial Director for 10 years with ultimate responsibility for product development. During this time Future was named UK Digital Publisher of the Year five times.



David Joseph
Chief Financial Officer

David is a law graduate and Chartered Accountant, starting his career and qualifying with Price Waterhouse, moving into industry in steel stockholding (ASD plc) then into FMCG (Unilever plc) before entering the media industry in 1995 when he joined Emap plc. Here he occupied several senior financial roles within its operating companies, including Chief Financial Officer of Emap Metro, the men's and music publications business and Emap Advertising, the then central cross platform advertising sale business. On leaving in 2001 David has since worked exclusively within the media industry on many projects including start up, MBI, MBO, turnaround, distressed and buy and build across a wide spectrum of enterprise values (£1 million to £50 million) and funding structures, internationally, both in the Far East and in the USA.



Marcus Rich
Non-Executive Chairman

Marcus joined Digitalbox as Chairman in February 2021. Before this he was the CEO of TI Media for 6 years where he led the MBO of Time Inc. UK backed by private equity firm Epiris in March 2018, and then the subsequent successful £140m sale of the now named TI Media to Future plc in April 2021. Previously he worked for Associated Newspapers in the roles of Commercial Director and Managing Director Mail On Sunday. He has held several senior Managing Director positions for sizable businesses in the 16 years he worked for Emap plc in Publishing, TV and Advertising in the UK and both the USA and Australia. Marcus has created significant shareholder value in the businesses he has run across the media landscape.



Philip Machray
Non-Executive Director

Philip joined Digitalbox as an Independent Non-Executive Director in July 2021 and is Chairman of the Audit Committee. He is Chief Financial Officer and Chief Executive Officer of data and intelligence business, Merit Group plc. Phil is a Chartered Accountant with over 25 years' experience in the media sector as an advisor, Board member and Executive. Most recently Phil worked for 16 years at Reach plc (formerly Trinity Mirror plc) where he held roles including Director of Corporate Development, Chief Operating Officer of Regionals, and Managing Director of Specialist Digital. Phil began his career at Deloitte LLP and was a Director within Deloitte's Technology, Media & Telecoms practice.



Martin Higginson
Non-Executive Director

Martin is recognised as a seasoned Technology, Media and Telecoms (TMT) entrepreneur. He has started, sold, and listed numerous businesses. His first business was sold to IPC Magazines in 1982. Following three years with IPC he left to set up his own publishing and telecoms business, this was subsequently sold to Scottish Power plc. During his time with Scottish Power he joined their subsidiary Scottish Telecom, as Managing Director of their Internet and Interactive division, including Internet ISP Demon Internet. Following the flotation of Thus plc (formerly Scottish Telecom) he left to start Monsternob, a company he went on to list on AIM in 2003; growing it to a Top 50 AIM listed business. Monsternob Group plc was sold to Zed Worldwide in 2006. Martin has subsequently founded Cityblock plc, a luxury student accommodation business, NetPlayTV plc, an interactive TV gaming business, Digitalbox and Immotion plc.

**Martin resigned from the Board to pursue other business interests in April 2023.*

Board of Directors



Outside the AGM will Group convene general meetings where shareholder approval is required or appropriate on Group matters and may seek input from major institutional investors from time to time in relation to Group policy.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group seeks to engage with its wider group of stakeholders via:

- Face-to-face / virtual briefings for staff to update on the Group's progress and developments
- Email updates for staff regarding developments
- Releasing public updates via the RNS service
- Stakeholder feedback being passed to Senior Management via the relevant team member at Digitalbox as appropriate.
- The Group's approach to this can be found starting on page 16.



4. Embed effective risk management, considering both opportunities and threats, through the organisation

The Board considers the risks facing the business on an ongoing basis and ensures mitigation strategies are in place wherever possible. The Executive Directors regularly keep the Board updated on current trading, wider market trends and other developments as a means of identifying existing and potential future opportunities and risks.

Key risks and uncertainties facing the business are found on page 15 and 16.

5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Board comprises three Executive Directors and two Non-Executive Directors, following the resignation from the Board of Martin Higginson during the period. The Board considers both Non-Executive Directors to be independent.

The Board will operate in a collaborative and constructive manner with a clear focus on the delivery of the strategy and increasing shareholder value.

The appointment of Directors will be in accordance with the Articles of Association.

The Board met 11 times in 2023.

Details of the Board members, their roles and their attendance at meetings can be found on pages 20, 21 and 23.

6. Ensure that between them the Directors have necessary up-to-date experience, skills and capabilities

The Group considers the skills and experience of the Board to be appropriate and this is kept under review.

The Executive Directors have each worked in consumer media for more than twenty years, and as a group have experience at senior management level in respected PLC media businesses. Their specific media expertise includes editorial management, new

product development, commercial management, strategic planning, international expansion, financial management, corporate restructuring, digital transition, brand development, acquisitions and disposals.

The Group's non-executive Directors have extensive successful track records in the fields of digital and print publishing, television and also have extensive experience in M&A.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board's process of evaluating its own performance, that of its Committees and the individual Directors, is led by the Chairman. The process is conducted by the Remuneration Committee. The Remuneration Committee will evaluate Board performance against targets.

Targets are aligned with the delivery of the Group's strategy.

The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning.

8. Promote a culture that is based on ethical values and behaviours

The Group aims to achieve the highest ethical standards and behaviour when conducting its



business, with integrity, fairness and equality being high priorities.

The Corporate and Social Responsibility report is found on page 17.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The roles of the Chairman and the Chief Executive Officer are separated and clearly defined. The Chairman provides impartial leadership and guidance to the Board. Working with the Executive Directors, the Chairman is responsible for setting the agenda for Board meetings and ensuring Board members receive the information they need to properly participate in a timely fashion.

The Chief Executive Officer is responsible for the execution of Group strategy approved by the Board, the leadership of the Group's senior management team and its employees on a day to day basis. →

	Board	Audit	Remuneration	Nomination	Disclosure
Marcus Rich	11/11	3/3	1/1	n/a	n/a
James Carter	11/11	-	-	-	-
Jim Douglas	11/11	-	-	-	-
David Joseph	11/11	-	-	-	-
Martin Higginson	11/11	3/3	1/1	n/a	n/a
Philip Machray	3/11	2/3	1/1	n/a	n/a





The Chief Operating Officer supports the Chief Executive in the delivery of the strategy with a specific remit over editorial matters.

The Board has established four committees with clearly defined responsibilities. These are as follows:

The **Audit Committee's** principal functions include ensuring that the appropriate accounting systems and financial controls are in place, monitoring the integrity of the financial statements of the Group, reviewing the effectiveness of the Group's accounting and internal control systems, reviewing reports from the Group's auditors relating to the Group's accounting and internal controls, and reviewing the interim and annual results and reports to Shareholders, in all cases having due regard to the interests of Shareholders. The Audit Committee will meet as necessary, informed by the reporting and audit cycle or other requirements. Philip Machray, who has recent and relevant financial experience acts as chairman. Marcus Rich is the other member of the Audit Committee.

The Audit Committee report is found on page 25 and 25.

The **Remuneration Committee** is responsible for determining and agreeing with the Board the framework for the remuneration packages for each of the Executive Directors. The Remuneration Committee considers all aspects of the Executive

Directors' remuneration, including pensions, bonus arrangements, benefits, incentive payments and share option awards, and the policy for, and scope of any termination payments. The remuneration of the Non-Executive Directors is a matter for the Board. The Remuneration Committee will meet when necessary and generates an annual remuneration report to be approved by the members of the Company at the annual general meeting. No Director may determine their own remuneration. Marcus Rich acts as chairman of the Remuneration Committee and Philip Machray is the other member.

The Remuneration Committee report is found on page 27.

The **Nomination Committee** is responsible for reviewing the structure, size and composition of the Board based upon the skills, knowledge and experience required to ensure the Board operates effectively. The Nomination Committee meets when necessary to do so. The Nomination Committee also identifies and nominates suitable candidates to join the Board when vacancies arise and makes recommendations to the Board for the re-appointment of any Non-Executive Directors. Marcus Rich acts as chairman of the Nomination Committee and Philip Machray is the other member.

The **Disclosure Committee** is responsible for ensuring compliance with the AIM rules and MAR concerning disclosure of inside information and works closely with the Board to ensure that the Group's nominated adviser is provided with any information it reasonably requests or requires in order for it to carry out its responsibilities under the AIM Rules and the Aim Rules for Nominated Advisers. The Disclosure Committee approves all RNS and other significant announcements, normally via email and will meet as required. Marcus Rich acts as Chairman of the Disclosure Committee. Philip Machray is the other member.

10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Group communicates with shareholders and other stakeholders through its Annual and Interim Reports, regulatory and non-regulatory announcements, its investor relations website, Annual General Meetings and face-to-face meetings.

Further details of this can be found on pages 16 and 17.

Audit Committee Report

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed. Its role includes monitoring the integrity of the financial statements (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

The Board has overall responsibility for the Group's system of internal financial control and for reviewing its effectiveness. The purpose of the system of control is to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against misstatement or loss. The Chief Financial Officer is the executive within the Group responsible for day-to-day financial management of the Group's affairs and its internal accounting.

The Group's Chief Financial Officer and the external auditors attend meetings of the Audit Committee by invitation. The Committee also holds separate meetings with the auditors as appropriate.



2023 ACTIVITIES

The Audit Committee met three times during the year. Two of these meetings were primarily used to consider the prior year's Annual Report and Accounts and the current year interim financial statements. At the third, in December 2023, the Committee met with the Group's external auditors to agree the audit plan for the 2023 financial year-end. The Committee also met in March 2024 prior to approving the 2023 accounts.

The Committee undertook a review and assessment of the Annual Report in order to determine whether it could advise the Board that, taken as a whole, the Annual Report is fair, balanced and understandable, and provides shareholders with the information they need to assess the Group's position, performance, business model and strategy. In doing this, the Committee reviewed and discussed the findings from the external auditors as part of the 2023 year-end audit and fully discussed the Annual Report at the Committee meeting in March 2024. It considered the following Significant Accounting Judgements:

1. Revenue recognition – the Committee considered the Group's approach to revenue recognition and its compliance with IFRS, and concluded that the very nature of programmatic advertising revenue ensured clarity on the allocation of revenue across each distinct accounting period and a clean cut off.
2. Accounting for business acquisitions – the committee considered the appropriate accounting treatment and judgements used to appropriately record the Media Chain Group acquisition and completion of the tvguide.co.uk acquisition during the year. This included assessment of the respective fair values and whether the transactions were treated as assets acquisitions or as Business Combinations.
3. Capitalisation of development costs – the Committee reviewed the circumstances under which development costs had been capitalised as intangible assets during the course of the year and was satisfied that for each development, management had demonstrated that the recognition criteria under IAS38 had been met.
4. Carrying value of goodwill and other intangible assets – the Committee considered the Group's →

Audit Committee Report cont...

→ approach to evaluation of the carrying value of goodwill and other intangible assets. Having incurred a significant reduction in profitability during the year, the Committee carefully considered the value in use of each CGU based on management's projection of future cash flows and the appropriateness of the discount rate used to determine net present value. The Committee was supportive of the impairment of the goodwill recognised in respect of Entertainment Daily and was satisfied with the carrying values of the assets associated with the Group's other brands having considered the discounted cash flow model which demonstrated that no impairment charge was required for them.

5. Going Concern – the Committee considered the appropriateness of a going concern basis especially in the light of global macroeconomic factors, specific industry characteristics creating volatility in the Group's revenues and the reduction in profitability experienced during the year. The Committee was assured that the business has a strong balance sheet, is trading profitably and that, whilst consumer advertising revenues are expected to remain under pressure, the Group's core business model is resilient.

Following a robust process, the Committee recommended to the Board that the Annual Report is, taken as a whole, fair, balanced and understandable.

INTERNAL AUDIT

The Group does not have an internal audit function as this is not considered appropriate given the scale of the Group's operations. The Audit Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without a separate Internal Audit function.

EXTERNAL AUDITORS

The Audit Committee has reviewed the independence and effectiveness of Haysmacintyre LLP, the Group's external auditors, and are satisfied in both respects.

Haysmacintyre LLP's fees in the year in respect of audit services were £62k (2022: £55k) and in respect of non-audit services were £5k (2022: £4k) as detailed in note 8. Haysmacintyre LLP have signified their willingness to continue in office and a resolution to reappoint Haysmacintyre LLP as auditor to the Company will be proposed at the AGM. 

Philip Machray
Chairman of the Audit Committee
28 March 2023



Remuneration Committee Report

The Remuneration Committee determines the remuneration packages for Executive Directors and other senior employees and keeps the Group's policy on pay and benefits under review generally.

The Remuneration Committee will keep under review the long-term incentivisation of Executive Directors and senior employees, balancing the need to control costs while ensuring that pay and benefits offered by

the Group are appropriate for attracting and retaining high-calibre staff.

The Committee will continue to have due regard to remuneration reports from independent sources, to the guidance of its professional advisers and to good practice generally.

Directors' remuneration for the year of 2023 are shown on page 52. Directors' shareholdings are set out below:

Director	Number of 1p Ordinary Shares as at 31st December 2023	%	Number of 1p Ordinary Shares as at 31st December 2022	%
James Carter	10,908,078	9.3%	10,908,078	9.3%
Jim Douglas	10,908,078	9.3%	10,908,078	9.3%
David Joseph*	1,150,100	1.0%	600,000	0.5%
	22,966,156	19.5%	22,416,156	19.0%
Total ordinary shares	117,923,393		117,923,393	

*on 13 January 2023 David Joseph acquired a further 550,000 shares.

Options have been granted to certain key employees, as below:

Option Holder	Number of Shares	Vesting Date
James Carter*	681,958	Vested
Jim Douglas*	681,958	Vested
Nick Clough	1,002,960	Vested
Karen Hyland	1,002,960	Vested
Grace Vielma	1,002,960	24 February 2024
James Carter	1,504,441	5 April 2026
James Douglas	1,504,441	5 April 2026
Thomas Christmas	1,002,960	5 April 2026
Hayley Soen	501,480	5 April 2026
	7,883,158	

*Effective options in Digitalbox plc arising from warrants in a subsidiary company vesting immediately


Marcus Rich
Chairman of the Remuneration Committee
28 March 2023

Directors' Report



The Directors present their report and audited financial statements for the year ended 31 December 2023.

Principal Activities

The principal activities of the Group are the publication of consumer media through the digital mobile channel, with revenues derived from programmatic advertising.

The principal activity of the Company is as a holding company.

Board of Directors

The Directors who served during the year were:

Marcus Rich
James Carter
Jim Douglas
David Joseph
Philip Machray
Martin Higginson (Resigned 30 April 2023)

Future Developments

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 to include the disclosure of likely future developments in the Chief Executive's Statement beginning on page 5.

Dividends

No dividends were paid during the year (2022: £Nil). The Board is not recommending the payment of a final dividend in respect of the year ended 31 December 2023.

Earnings per Share

Earnings per share in the period from continuing operations was a loss of 5.662p (2022: profit of 0.683p) and diluted earnings per share from continuing operations in the period was a loss of 5.662p (2022: profit of 0.670p).

Going Concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. In considering going concern, the Directors consider the current financial position and performance of the business, as well as reviewing financial information for a period of at least 12 months from the date of approval of the financial statements. Given the strong and liquid balance sheet position, the ability of the Group to generate operating cash in a challenging market, the full year effect of the successful acquisition of The Poke and the completion of the acquisition of tvguide.co.uk, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The going concern basis of accounting has therefore been adopted in preparing the financial statements.

Treasury Operations & Financial Instruments

The Group operates a centralised treasury function which is responsible for managing liquidity, interest and foreign currency risks associated with the Group's activities.

The Group's principal financial instrument is cash, the main purpose of which is to fund the Group's operations.

The Group has various other financial assets and liabilities such as trade receivables and trade payables naturally arising from its operations.

The Group's exposure and approach to capital and financial risk, and approach to managing these is set out in note 20 to the consolidated financial statements.

Employee Engagements

The Group engages with its employees regularly through face-to-face communication and virtual meetings during which details of the Group's performance is shared.

Further information regarding employee engagement can be found in the Corporate and Social Responsibility Report on page 17.

Employee Policies

The Group has established employment policies which are compliant with current legislation and codes of practice. The Group is an equal opportunities employer.

Payment of Suppliers

The Group's policy is to pay suppliers in accordance with the relevant contractual terms between the Group and the supplier. Where no specific terms are agreed, the Group's standard policy is net monthly.

Directors' Indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all the Directors.

Directors' Conflicts of Interest

In the event that a Director becomes aware that they, or their connected parties, have an interest in an existing or proposed transaction involving the Group, they will notify the Board in writing or at the next Board meeting.

Significant Shareholdings

As at 31 December 2023, the following shareholders owned 3% or more of the Company:

Name	Shares	%
Downing Strategic Micro-Cap Investment Trust plc	22,989,795	19.5
Storia Credit Holdings (Europe)	22,244,779	18.9
Mr James Carter	10,908,078	9.3
Mr Jim Douglas	10,908,078	9.3
Hargreaves Lansdown Asset Management (Bristol)	4,740,573	4.0
Professor P Unwin	3,795,100	3.2

Political Donations

The Group did not make any political donations during 2023 (2022: £Nil).

Matters Covered in the Chairman's Statement & Financial Statements

Certain matters which are required to be disclosed in the Directors' Report (such as review of the business and future developments) have been omitted as they are included within the Chief Executive's Statement, the Strategic Report and within the notes to the Financial Statements.

Annual General Meeting

The Company's Annual General Meeting will be announced in due course.

Statement as to Disclosure of Information to the Auditor

As far as the Directors are aware they have each taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

Haysmacintyre LLP have signified their willingness to continue in office and a resolution to reappoint Haysmacintyre LLP as auditor to the Company will be proposed at the AGM.

Approved by the Board on 25 March 2024 and signed on its behalf:

James Carter
 Chief Executive Officer



Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the United Kingdom have been followed subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's and the Group's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

Financial statements are published on the Group's website in accordance with the rules and legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the corporate and financial information on the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The work carried out by the auditors does not include consideration of the maintenance and the integrity of the website and accordingly the auditor accepts no responsibility for any changes that have occurred to the financial statements when they are presented on the website. ■



Independent Auditor's Report

OPINION

We have audited the financial statements of Digitalbox plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity, Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards ("IFRS").

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 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting considered the inherent risks to the group and the company's business model and reviewed the directors' assessment of how those risks affect the group and the company's financial resources or ability to continue operations over the going concern period. We considered the likely cash inflows and outflows over the going concern period and assessed the risk that the group and the company would be unable to meet their liabilities as they fall due. We scrutinised the reasonableness of assumptions applied to the cash flow forecasts and sensitised such forecasts against various scenarios which could come to realisation. We reviewed management's going concern memo and discussed with the Board. We considered post balance sheet date performance and other wider factors in concluding our assessment.

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

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

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit scope included obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement at the group level, with consideration of the monetary value of the balances subject to audit. Whilst we performed this assessment at the planning stage, we concluded that our planning assessment was still relevant, and therefore appropriate, based on the year-end figures. →



Both Digitalbox PLC and Digitalbox Publishing Limited were considered to constitute significant components and therefore subject to full scope testing. Digitalbox Holdings Limited was deemed to be insignificant to the Group and audit work performed was limited to analytical review. This work has been performed by the Group audit team.

Our Group audit scoping ensured that was obtained coverage through full-scope audit procedures of 100% of the Group's profit and the Group's total assets and liabilities, with reference to the materiality basis detailed below.

We communicated with both the Directors and the Audit Committee our planned audit work through our audit planning report and relevant discussions. Throughout the process we engaged in conversation with both the Directors and Audit Committee relating to the process of the audit.

We communicated with both the Directors and Audit Committee our audit findings and conclusions in our final audit report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OUR APPLICATION OF MATERIALITY

The scope and focus of our audit were influenced by our risk assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Materiality for the financial statements as a whole was set at £45,000, determined by reference to 7.5% of normalised 5-year group Adjusted EBITDA (Adjusted EBITDA is defined as the operating profit after adding back depreciation, amortisation, impairment, share based payments, acquisition costs, direct costs associated with business combinations and capital restructure costs). Performance materiality was set at £29,300, being 65% of materiality. We have reported to the audit committee any corrected or uncorrected misstatements arising exceeding £2,250.

Component materiality for the parent company and only trading subsidiary, Digitalbox Publishing Limited, were capped at £40,000, with reference to a benchmark of group materiality.

Both entities were subject to statutory audits in their own rights, however the materiality calculated for these entities was more than component materiality and as such, component materiality was used for the individual audits.

KEY AUDIT MATTER	HOW OUR SCOPE ADDRESSED THIS MATTER
<p>Fraud in revenue recognition (Digitalbox Publishing Limited) Group revenue comprises both the sale of digital advertising space and subscription revenues. Revenue is recognised in line with the accounting policies in note 4.</p> <p>We consider there to be a significant risk around the occurrence of this revenue and its recognition in accordance with IFRS 15.</p> <p>Revenue earned through the sale of digital advertising space is recognised on the basis of dashboards maintained by customers and is manually invoiced on a monthly basis. There is a risk that it is incorrectly recognised.</p> <p>Revenue earned through the sale of subscriptions to customers is recognised on a monthly basis based on the subscription start date.</p> <p>We also consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year-end, as transactions could be recorded in the wrong financial period (cut-off).</p>	<p>We performed a test in total on the programmatic revenue within Digitalbox Publishing Limited using extractions from each customer's dashboard and agreeing this to the nominal ledger. For subscription revenue, we tested the balance in total back to both the subscription platform and cash received during the period.</p> <p>Further work included, but was not restricted to:</p> <ul style="list-style-type: none"> • agreeing a sample of revenue to bank statement receipts; • reviewing a sample of sales raised in January 2024 to ensure that these were recognised in the correct period; and • reviewing the recoverability of a sample of trade receivables at the year end to assess validity of their recognition and carrying value as at 31 December 2023.
<p>Impairment of goodwill and other intangibles assets (Digitalbox Plc) The group has recognised intangible assets and goodwill, which arose on the historical acquisitions of Entertainment Daily and The Tab. There is a risk that the value of the intangible assets and goodwill should be impaired as at 31 December 2023.</p>	<p>Our work included, but was not restricted to:</p> <ul style="list-style-type: none"> • reviewing and assessing the impairment reviews prepared by management and both challenging and benchmarking the key assumptions within the value in use model; • reviewing and assessing future budgets and cash flow forecasts including considering downside sensitivities; • making enquiries of management and assessing expected future performance and potential growth in the business.
<p>Valuation of investments in subsidiaries and intercompany receivables Included in the Parent Company's Statement of Financial Position are investments in subsidiaries of £6,226,228 (2022: £1,209,000) and intercompany receivables of £1,177,000 (£2022: £1,261,000).</p> <p>Given that the Group and subsidiaries have seen a decline in performance in the current year, there is a risk that both the investment and intercompany receivables balances should be impaired as at 31 December 2023.</p>	<p>We challenged management's impairment assessment of the recoverability of these balances, reviewing the forecasts of Digitalbox Publishing's performance. This consisted of, but was not limited to:</p> <ul style="list-style-type: none"> • Reviewing and assessing the forecasts prepared by management and both challenging and benchmarking the key assumptions within the cashflow model; • Verifying the budgets prepared by management to actual results post year-end • Benchmarking key assumptions made within the model to industry data and information.



→ **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD.

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



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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular relating to the impairment of goodwill and other intangible assets.

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

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

USE OF OUR REPORT

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

Jon Dawson
(Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 27 March 2023





Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Revenue	7	2,790	3,578
Cost of sales		(606)	(534)
Gross profit		2,184	3,044
Administrative expenses		(8,957)	(2,999)
Operating (loss)/profit	8	(6,773)	45
Memorandum: Adjusted EBITDA¹		20	1,081
Depreciation		(14)	(7)
Amortisation		(265)	(191)
Impairment of goodwill and intangible assets		(6,384)	(716)
Share based payments		(96)	(62)
Direct costs of business combinations		-	(60)
Direct costs of intangible asset acquisitions		(34)	-
(Loss)/profit from operations		(6,773)	45
Finance costs	10	(6)	(8)
Finance income		44	8
(Loss)/profit before taxation and attributable to equity holders of the parent		(6,735)	45
Taxation	11	58	759
(Loss)/profit after tax		(6,677)	804
All profits and losses after taxation arise from continuing operations.			
There was no other comprehensive income for 2023 (2022: £NIL).			
¹ Adjusted EBITDA is defined as the operating profit after adding back depreciation, amortisation, impairment, share based payments, acquisition costs and direct costs associated with business combinations			
		£	£
(Loss)/Earnings per share			
Basic (continuing)	12	(0.05662)	0.00683
(Loss)/Earnings per share			
Diluted (continuing)	12	(0.05662)	0.00670

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Share based payment £'000	Retained earnings/ (deficit) £'000	Total equity £'000
Balance at 1 January 2022	1,163	11,149	464	297	13,073
Issue of new shares	16	20	-	-	36
Equity settled share-based payments	-	-	62	-	62
Reserves transfer in respect of lapsed options	-	-	(330)	330	-
Profit after tax	-	-	-	804	804
Balance at 31 December 2022	1,179	11,169	196	1,431	13,975
Equity settled share-based payments	-	-	96	-	96
Reserves transfer in respect of lapsed options	-	-	(104)	104	-
Loss after tax	-	-	-	(6,677)	(6,677)
Balance at 31 December 2023	1,179	11,169	188	(5,142)	7,394



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023 £'000	31 December 2022 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	46	52
Intangible fixed assets	14	4,594	10,194
Deferred tax asset	19	547	617
Total non-current assets		5,187	10,863
Current assets			
Trade and other receivables	15	946	952
Cash and cash equivalents	16	1,913	2,827
Total current assets		2,859	3,779
Total assets		8,046	14,642
LIABILITIES			
Current liabilities			
Trade and other payables	17	(409)	(288)
Bank loans and overdrafts	17	(149)	(112)
Corporation tax	17	-	(61)
Total current liabilities		(558)	(461)
Non-current liabilities			
Bank loans	17	(94)	(206)
		(94)	(206)
Total liabilities		(652)	(667)
Total net current assets		2,301	3,318
Total net assets		7,394	13,975
Capital and reserves attributable to owners of the parent			
Share capital	21	1,179	1,179
Share premium	23	11,169	11,169
Share based payment reserve	23	188	196
Retained (deficit)/earnings	23	(5,142)	1,431
Total equity		7,394	13,975

The financial statements were approved by the Board and authorised for issue on 25 March 2024.



James Carter
CEO



David Joseph
CFO

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities		
(Loss)/profit from ordinary activities	(6,677)	804
Adjustments for:		
Income tax credit	(58)	(759)
Share based payments	96	62
Depreciation on property plant and equipment	14	7
Amortisation of intangible assets	265	191
Impairment on goodwill and intangible assets	6,384	716
Loss on disposal of property, plant and equipment	-	30
Finance costs	6	8
Finance income	(44)	(8)
Cash flows (used in)/from operating activities before changes in working capital	(14)	1,051
Decrease in trade and other receivables	86	818
Increase/(decrease) in trade and other payables	121	(451)
Cash generated by operations	193	1,418
Income tax paid	(13)	(235)
Net cash from operating activities	180	1,183
Investing activities		
Purchase of property, plant and equipment	(8)	(43)
Purchase of intangibles	(1,049)	(391)
Interest received	44	8
Net cash used in investing activities	(1,013)	(426)
Financing activities		
Finance costs	(44)	(8)
Bank overdraft	38	-
Loan and lease repayments	(75)	(144)
Issue of new share capital	-	36
Net cash used in financing activities	(81)	(116)
Net (decrease)/increase in cash and cash equivalents	(914)	641
Cash and cash equivalents at beginning of the period	2,827	2,186
Cash and cash equivalents at end of the period	1,913	2,827

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Reconciliation of net cash flow to movement in net funds:

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Net (decrease)/increase in cash and cash equivalents	(914)	641
Repayment of loans and leases	75	144
Movement in net funds in the year	(839)	785
Net funds at 1 January	2,509	1,724
Net funds at 31 December	1,670	2,509

Breakdown of net funds

Cash and cash equivalents	1,913	2,827
Bank loans	(243)	(318)
Net funds at 31 December	1,670	2,509

The notes on pages 43 to 64 form part of the group financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Digitalbox Plc is a public limited company incorporated and domiciled in the United Kingdom. The address of the registered office is Jubilee House, 92 Lincoln Road, Peterborough, England, PE1 2SN. The Company is listed on AIM of the London Stock Exchange.

The principal activity of the Group and of the Company are disclosed in the Directors' Report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

2. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED IN THE CURRENT FINANCIAL YEAR ENDED 31 DECEMBER 2023

The following IFRS standards, amendments or interpretations became effective during the year ended 31 December 2023 but have not had a material effect on this Consolidated Financial Information:

Standard

Amendments to IAS 1 (Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements): Disclosure of Accounting Policies.

Amendments to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors): Definition of Accounting Estimates

Amendments to IAS 12 (Income taxes): Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 12 (Income taxes): International Tax Reform – Pillar Two Model Rules

All new standards and amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2023 that are applicable to the Group have been applied in preparing these Consolidated Financial Statements.

3. NEW AND REVISED IFRS STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Effective date
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current, Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024

The Directors are continuing to assess the potential impact that the adoption of the standards listed above will have on the Consolidated Financial Statements for the year ended 31 December 2024.

4. ACCOUNTING POLICIES

Principal accounting policies

The Group is a public Group incorporated and domiciled in the United Kingdom. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the United Kingdom ("adopted IFRSs") and those parts of the Companies Act 2006 which apply to companies preparing their financial statements under IFRSs. The financial statements are presented to the nearest round thousand (£'000) except where otherwise indicated.

Basis of Consolidation

The Group comprises the parent company and its subsidiaries, as detailed in note III to the company financial statements. All of these have been included in the consolidated financial statements in accordance with the principles of acquisition accounting as laid out by IFRS 3 Business Combinations.

Going concern

The Group generated a loss during the year of £6,677k (2022: profit of £804k), the Group had closing net assets of £7,394k (2022: £13,975k), net current assets of £2,301k (2022: £3,318k) and cash at bank and in hand of £1,913k (2022: £2,827k).

The Group generated net cash from operating activities of £180k during the year (2022: £1,183k). The Group has remained cash generative during a difficult economic period which saw the impact of the war in Ukraine inflating global food and energy prices which, in turn, has driven consumer spending power down driving a consequent downturn in global advertising spend. This, together with the adverse changes in the distribution models of the global tech platforms led to a challenging year for media businesses worldwide.

In considering going concern, the Directors consider the current financial position and performance of the business, as well as reviewing financial information for a period of at least 12 months from the date of approval of the financial statements. Given the strong and liquid balance sheet position, the ability of the Group to generate operating cash in a challenging market, the full year effect of the successful acquisition of The Poke and the completion of the acquisition of tvguide.co.uk, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The going concern basis of accounting has therefore been adopted in preparing the financial statements.

Business combinations and goodwill

Acquisitions of subsidiaries and business are accounted for using the acquisition method. On acquisition of a subsidiary, the Directors determine whether substantially all of the fair value is concentrated into a single asset or group of assets. When applicable, the Directors elect to apply the optional concentration test and recognise the acquisition as an asset acquisition, rather than a business combination. The assets and liabilities and contingent liabilities of the subsidiaries are measured at their fair value at the date of acquisition. Any excess of acquisition over fair values of the identifiable net assets acquired is recognised as goodwill. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss accounts and is not subsequently reversed. Acquisition related costs are recognised in the income statement as incurred.

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

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

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

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

Rendering of services

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

Revenue from the sale of advertising space is recognised upon the advertisement being generated and the Group delivering the advertisement to the customer. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable future economic benefits will flow to the entity and the Group has satisfied the performance obligations. Revenue is not received in advance and therefore the Group does not account for contract liabilities.

Foreign currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pound sterling, which is the functional currency of the Group, and the presentational currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the individual company's functional currency (foreign currencies) are recorded at rates of exchange prevailing on the dates of the transactions. At the reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of the gain or loss is also recognised directly in equity.

Intangible assets

Intangible assets include goodwill arising on the acquisition of subsidiaries and represents the difference between the fair value of the consideration payable and the fair value of the net assets that have been acquired. The residual element of goodwill is not being amortised but is subject to an annual impairment review.

Also included within intangible assets are various assets separately identified in business combinations (such as brand value) to which the Directors have ascribed a fair value and a useful economic life. The ascribed value of these intangible assets is being amortised on a straight-line basis over their estimated useful economic life, which is considered to be 7 years. →



4. ACCOUNTING POLICIES (continued)

Other intangible assets purchased by the Group are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised so as to write off the cost less their residual values over their useful lives, which is considered to be 3 years straight line for development costs and between 3-7 years straight line for other intangible assets.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument.

Contract liabilities

Contract liabilities comprise payments in advance of revenue recognition and revenue deferred due to contract performance obligation not being completed. They are classified as current liabilities if the contract performance obligations payments are due to be completed within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Contract liabilities are recognised initially at fair value and subsequently at amortised cost.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in profit or loss.

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

Cash and cash equivalents

Cash and cash equivalents are recognised as financial assets. They comprise cash held by the Group and short-term bank deposits with an original maturity date of three months or less.

Trade payables

Trade payables are initially recognised as financial liabilities measured at fair value, and subsequent to initial recognition measured at amortised cost.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction of all its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income on a straight-line basis over the vesting period.

Non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Fair value is calculated using the Black-Scholes model, details of which are given in note 22.

Pensions

The pension schemes operated by the Group are defined contribution schemes. The pension cost charge represents the contributions payable by the Group.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and provision for impairment. Depreciation is provided on all property plant and equipment, at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful economic life.

The method of depreciation for each class of depreciable asset is:

Office equipment - 25% reducing balance

Impairment of Assets

Impairment tests on goodwill are undertaken annually at the balance sheet date. The recoverable value of goodwill is estimated on the basis of value in use, defined as the present value of the cash generating units with which the goodwill is associated. This is computed by applying an appropriate discount rate to the estimated value of future cash flows. When value in use is less than the book value, an impairment is recorded and is irreversible.

Other non-financial assets are subject to impairment tests whenever circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its estimated recoverable value (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable value of an individual asset, the impairment test is carried out on the asset's cash-generating unit. The carrying value of property, plant and equipment is assessed in order to determine if there is an indication of impairment. Any impairment is charged to the statement of comprehensive income. Impairment charges are included under administrative expenses within the consolidated statement of comprehensive income.

Taxation and deferred taxation

Corporation tax payable is provided on taxable profits at prevailing rates.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on

- the initial recognition of goodwill; and
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.

Recognition of deferred tax assets is restricted to those instances where it is probable that future taxable profit will be available against which the asset can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered. →

There were unused tax losses at 31 December 2023 amounting to £3,610k. In the majority, these were restricted for use for 5 years from the date of acquisition of Tab Media Limited against future taxable profits arising from the trade formerly carried on in Tab Media Limited and now carried on in Digitalbox Publishing Limited. A deferred tax asset was recognised in relation to these losses for the first time in 2022, as the losses were considered to be highly likely to be recoverable against future profits. It is still the view that these losses will be highly likely to be recoverable against future profits.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Directors, who are responsible for allocating resources and assessing performance of the operating segments.

A business segment is a group of assets and operations, engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The Executive Directors assess the performance of the operating segments based on the measures of revenue, profit before taxation and profit after taxation. Central overheads are not allocated to business segments.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Critical accounting judgements

Impairment of goodwill and other intangible assets

Impairment of the valuation of the goodwill relating to the acquisition of subsidiaries is considered annually for indicators of impairment to ensure that the asset is not overstated within the financial statements. The annual impairment assessment in respect of goodwill requires estimates of the value in use (or fair value less costs to sell) of subsidiaries to which goodwill has been allocated.

This requires the Directors to estimate the future cash flows and an appropriate discount factor, in order that the net present value of those cash flows can be determined. Discounted cash flow forecasts are stress tested under a range of scenarios. The headroom was deemed insufficient and therefore an impairment has been recognised against goodwill and intangible assets relating to Entertainment Daily in the year of £6,384k (2022: nil).

Critical accounting estimates

Amortisation of intangible assets

The periods of amortisation adopted to write down capitalised intangible assets requires estimates to be made in respect of the useful lives of the intangible assets, to determine an appropriate amortisation rate. Development costs (domain names and website costs) are being amortised on a straight-line basis over the period during which the economic benefits are expected to be received, which has been estimated at 3 years. Intangible assets recognised in relation to the brand names are being amortised straight-line over 7 years.

Share based payment expense

Non-market performance and service conditions are included in the assumptions about the number of options that are expected to vest. At the end of each reporting period the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

This requires an estimate as to how many options will meet the future vesting criteria as well as the judgements required in estimating the fair value of the options at the date of grant for equity-settled options.

Provision for bad and doubtful debts

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing. The expected loss rates are based on the Group's historical credit losses experience over the twelve month period prior to the period end. Forward looking issues have been considered, including in relation to the ongoing impact of the hostile global trading conditions driven by the impact of the war in Europe. This has had an immaterial effect on the expected credit loss rate.

6. SEGMENTAL INFORMATION

A segmental analysis of revenue and expenditure is as follows:

2023	Entertainment Daily	Mashed Productions	The Tab	The Poke	TV Guide	Head Office	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	1,440	117	921	219	93	-	2,790
Cost of sales	(305)	(147)	(110)	(40)	(4)	-	(606)
Administrative expenses*	(484)	(122)	(444)	(87)	(9)	(1,018)	(2,164)
Adjusted EBITDA*	651	(152)	367	92	80	(1,018)	20
Amortisation, depreciation, and impairment	-	-	-	-	-	(6,663)	(6,663)
Direct costs of intangible asset additions	-	-	-	-	-	(34)	(34)
Share based payments	-	-	-	-	-	(96)	(96)
Finance income	-	-	-	-	-	44	44
Finance costs	-	-	-	-	-	(6)	(6)
Tax	-	-	-	-	-	58	58
Profit/(loss) for the year	651	(152)	367	92	80	(7,715)	(6,677)

6. SEGMENTAL INFORMATION (continued)

2022	Entertainment Daily £'000	Mashed Productions £'000	The Tab £'000	The Poke £'000	Head Office £'000	Total 2022 £'000
Revenue	2,261	243	1,059	15	-	3,578
Cost of sales	(224)	(190)	(118)	(2)	-	(534)
Administrative expenses*	(529)	(111)	(398)	(6)	(919)	(1,963)
Adjusted EBITDA*	1,508	(58)	543	7	(919)	1,081
Amortisation, depreciation, and impairment	-	-	-	-	(914)	(914)
Acquisition costs	-	-	-	-	(57)	(57)
Capital restructure costs	-	-	-	-	(3)	(3)
Share based payments	-	-	-	-	(62)	(62)
Finance income	-	-	-	-	8	8
Finance costs	-	-	-	-	(8)	(8)
Tax	-	-	-	-	759	759
Profit/(loss) for the year	1,508	(58)	543	7	(1,196)	804

*Adjusted EBITDA is defined as the operating profit after adding back depreciation, amortisation, impairment, share based payments, acquisition costs and direct costs associated with business combinations.

The segmental analysis above reflects the parameters applied by the Board when considering the Group's monthly management accounts.

	External revenue by location of customer		Total assets by location		Net tangible capital expenditure by location	
	31 December 2023 Continuing £'000	31 December 2022 Continuing £'000	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
United Kingdom	477	759	7,511	14,097	8	43
Europe	1,249	1,381	307	284	-	-
Rest of World	1,064	1,438	228	261	-	-
	2,790	3,578	8,046	14,642	8	43

7. REVENUE

	2023 £'000	2022 £'000
Revenue by stream is split:		
Advertising space	2,790	3,578
	2,790	3,578
Revenue by location is split:		
United Kingdom	477	759
Europe	1,249	1,381
Rest of world	1,064	1,438
	2,790	3,578

The Group had two (2022: four) customers whose revenue individually represented 10% or more of the Group's total revenue, being 17.21% and 14.22% respectively (2022: 19.70%, 13.65%, 12.33% and 11.03% respectively).

8. PROFIT FROM OPERATIONS

	2023 £'000	2022 £'000
This is arrived at after charging/(crediting):		
Continuing operations		
Staff costs (see note 9)	1,620	1,384
Direct costs of business combinations	-	57
Depreciation of property, plant & equipment	14	7
Amortisation of intangible fixed assets	265	191
Impairment on goodwill and intangible assets	6,384	716
	67	59
Auditors' remuneration in respect of the Company	20	18
Audit of the Group and subsidiary undertakings	42	37
Review of interim financial information	5	4
	67	59

9. STAFF COSTS

	2023 £'000	2022 £'000
Staff costs for all employees, including Directors consist of:		
Wages and salaries	1,357	1,176
Social security costs	149	134
Pensions	18	12
	<u>1,524</u>	<u>1,322</u>
Share based payment charge	96	62
	<u>1,620</u>	<u>1,384</u>

The average number of employees of the group during the year was as follows:

	2023 Number	2022 Number
Directors	5	6
Management and administration	5	4
Content	22	22
	<u>32</u>	<u>32</u>

Directors' Detailed Emoluments

Details of individual Directors' emoluments for the year are as follows:

	Salary 2023 £'000	Consultancy 2023 £'000	Bonus 2023 £'000	Pension 2023 £'000	Total 2023 £'000	Total 2022 £'000
J Carter	154	-	-	1	155	138
J Douglas	154	-	-	1	155	138
M Higginson (resigned 30 April 2023)	2	6	-	-	8	25
D Joseph	50	-	-	-	50	45
P Machray	26	-	-	-	26	25
M Rich	37	-	-	-	37	35
	<u>423</u>	<u>6</u>	<u>-</u>	<u>2</u>	<u>431</u>	<u>406</u>

All pension contributions represent payments into defined contribution schemes.

The Executive Directors have service contracts with the Company which are terminable by the Company or relevant director after a fixed term of 12 months followed by 6 months' notice.

The Directors' interests in the issued ordinary share capital of the Company was as follows:

	Shares of £0.01 31/12/2023		Shares of £0.01 31/12/2022	
Director				
James Carter	10,908,078	9.3%	10,908,078	9.3%
Jim Douglas	10,908,078	9.3%	10,908,078	9.3%
David Joseph*	1,150,000	1.0%	600,000	0.5%

*David Joseph acquired shares through Integral 2 Limited, a company controlled by him.

There is a share-based payment charge attributable to options held by the directors during the year amounting to £46k (2022: £17k). The options held in the prior year lapsed on 28 February 2022. New options were issued in the year that lapse on 5 April 2026.

Effective options in Digitalbox plc exist due to two directors having warrants in its subsidiary company, Digital Publishing (Holdings) Limited, which, when exercised, are satisfied by issuing shares in Digitalbox plc.

These are set out in the table below,

'Effective Option' Holder	Number of Shares
James Carter	681,958
Jim Douglas	681,958
	<u>1,363,916</u>

The warrants had vested prior to admission onto AIM on 28 February 2019 and carry an effective exercise price of 2.28 pence per share issued in Digitalbox plc.

A full breakdown of options in issue are shown at page 27. Further information on share options is included in note 22.

The market price of the shares at 31 December 2023 was 3.35p with a quoted range from throughout 2023 of 3.35p to 8.75p. The options vest based on performance criteria detailed in note 22.

10. FINANCE COSTS

	2023 £'000	2022 £'000
Interest on bank loans	6	8
	<u>6</u>	<u>8</u>

11. TAXATION ON PROFIT/LOSS FROM ORDINARY ACTIVITIES

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the current period	-	132
Adjustment in respect of prior periods	(127)	1
Deferred tax		
Origination and reversal of temporary differences	97	(96)
Changes in tax rates	-	(3)
Benefit arising from previously unrecognised tax losses	-	(793)
Adjustment in respect of prior periods	(28)	-
Total tax credit	<u>(58)</u>	<u>(759)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK applied to profit/(loss) before tax.

	2023 £'000	2022 £'000
Total profit/(loss) on ordinary activities before tax	<u>(6,734)</u>	<u>45</u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(1,584)	9
Effects of:		
Expenses not deductible for tax purposes	40	24
Income not taxable	-	(6)
Impairment on goodwill	1,491	61
Adjustments to prior periods	(155)	1
Fixed asset differences	-	(2)
Deferred tax asset not previously recognised	42	(793)
Deferred tax not recognised – loss relief in current period	-	(50)
Effect of changes in tax rates on deferred tax	3	(3)
Losses carried back	105	-
Tax credit for the year	<u>(58)</u>	<u>(759)</u>

In the Budget on 3 March 2021, the Chancellor announced the intention to increase the main rate of UK corporation tax to 25% for the financial year beginning 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax at the balance sheet date has therefore been measured using the enacted tax rate of 25% (2022: 25%) in these financial statements.

There were unused tax losses at 31 December 2023 amounting to £3,610k. In the majority, these were restricted for use for 5 years from the date of acquisition of Tab Media Limited against future taxable profits arising from the trade formerly carried on in Tab Media Limited and now carried on in Digitalbox Publishing Limited. A deferred tax asset was recognised in relation to these losses for the first time in 2022, as the losses were considered to be highly likely to be recoverable against future profits. It is still the view that these losses will be highly likely to be recoverable against future profits.

12. EARNINGS PER SHARE

	2023 £'000	2022 £'000
The earnings per share is based on the following:		
Continuing (loss)/earnings post tax attributable to shareholders	(6,677)	804
Basic weighted average number of shares	117,923,393	117,718,533
Diluted weighted average number of shares	118,809,024	120,002,622
Basic earnings/(loss) per share (£)	(0.05662)	0.00683
Diluted earnings/(loss) per share (£)	<u>(0.05662)</u>	<u>0.00670</u>

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. The exercise price of the outstanding share options is significantly more than the average and closing share price. Therefore, as per IAS33 the potential ordinary shares which could arise from exercised share options are disregarded in the calculation of diluted EPS.

13. TANGIBLE FIXED ASSETS

	IFRS 16 Right-of-Use Asset £'000	Office equipment £'000	Total £'000
Cost			
Balance at 1 January 2022	56	29	85
Additions	-	43	43
Disposals	(56)	(14)	(70)
Balance at 1 January 2023	-	58	58
Additions	-	8	8
Balance at 31 December 2023	-	66	66
Accumulated depreciation			
Balance at 1 January 2022	25	14	39
Depreciation charge	-	7	7
Depreciation eliminated on disposal	(25)	(15)	(40)
Balance at 1 January 2023	-	6	6
Depreciation charge	-	14	14
Balance at 31 December 2023	-	20	20
Net Book Value			
At 31 December 2023	-	46	46
At 31 December 2022	-	52	52

All tangible fixed assets held in the current and prior year were owned assets.



14. INTANGIBLE FIXED ASSETS

GROUP	Goodwill Arising on Consolidation £'000	Other Intangible Assets £'000	Development costs £'000	Total £'000
Cost				
Balance at 1 January 2022	9,610	1,476	121	11,207
Additions	-	18	171	189
Business combinations	-	202	-	202
Balance at 1 January 2023	9,610	1,696	292	11,598
Additions	-	937	112	1,049
Balance at 31 December 2023	9,610	2,633	404	12,647
Accumulated amortisation				
Balance at 1 January 2022	-	457	40	497
Amortisation	-	159	32	191
Impairment	321	395	-	716
Balance at 1 January 2023	321	1,011	72	1,404
Amortisation	-	178	87	265
Impairment	6,341	-	43	6,384
Balance at 31 December 2023	6,662	1,189	202	8,053
Net Book Value				
At 31 December 2023	2,948	1,444	202	4,594
At 31 December 2022	9,289	684	221	10,194
At 31 December 2021	9,610	1,018	82	10,710

During the year, the Group acquired the website tvguide.co.uk which has a carrying value in the financial statements of £453,214. The Group also capitalised development costs of £84k relating to development activities performed in respect of the tvguide.co.uk platform. These assets will be amortised over the same period. This is considered to have a useful economic life of 7 years and will be amortised over this period.

The Group subsequently purchased a collection of social media platforms from Media Chain Group Limited, which have a carrying value of £450,726. These assets have been subsumed within Entertainment Daily and The Tab split equally. The portion attributable to Entertainment Daily is being written off over 7 years. The portion attributable to The Tab is being written off over the unexpired portion of the 7 year write off period relating to the original acquisition of The Tab.

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

GOODWILL AND IMPAIRMENT

The carrying value of goodwill in respect of each cash generating unit is as follows:

	31 December 2023 £'000	31 December 2022 £'000
Digitalbox Publishing (Holdings) Limited	2,830	9,171
Mashed Productions Limited	-	-
Tab Media Limited	118	118
	2,948	9,289

The Group is obliged to test goodwill annually for impairment, or more frequently if there are indications that goodwill and indefinite life intangibles might be impaired, as the goodwill is deemed to have an indefinite useful life. In order to perform this test, management is required to compare the carrying value of the relevant cash generating unit ("CGU") including the goodwill with its recoverable amount. The recoverable amount of the CGU is determined from a value in use calculation.

Digitalbox Publishing (Holdings) Limited

The recoverable amount of Digitalbox Publishing (Holdings) Limited relates to the Entertainment Daily segment and has been determined from a review of the current and anticipated performance of this unit. In preparing this projection, a discount rate of 20% (2022: 10%) has been used based on the weighted average cost of capital and a future growth rate of 3% has been assumed. It has been assumed investment in capital equipment will equate to depreciation over the year. The discount rate was based on the Group's weighted average cost of capital as estimated by management. After applying sensitivity analysis in respect of the results and future cash flows, in particular for presumed growth rates and discount rates, management concluded that it was probable that such a change in key assumptions would reduce the recoverable amount below book value. The impairment loss being recognised amounts to £6,341k which results in a carrying value of £2,948k. The asset is considered to have a value in use of £3,894k over a 10 year period.

Management consider that the discount rate used is a key assumption. A 5% increase in that rate would result in a further impairment of £496k. A 5% reduction in that rate would result in a reduction in the impairment of £665k.

Mashed Productions Limited

The recoverable amount of Mashed Productions Limited has been determined with reference to the trade and assets hived across to Digitalbox Publishing Limited in 2020. Due to a change in the revenue model for this CGU the recoverable amount was deemed to be £nil in 2022 and therefore, a full impairment of Mashed Productions Limited was made.

Tab Media Limited

The recoverable amount of the Tab Media segment, which was hived up from Tab Media Limited to Digitalbox Publishing Limited on 1 October 2020, has been determined from a review of the current and anticipated performance of this unit. In preparing this projection, a discount rate of 20% (2022: 10%) has been used based on the weighted average cost of capital and a future growth rate of 3% has been assumed. It has been assumed investment in capital equipment will equate to depreciation over the year. The discount rate was based on the Group's weighted average cost of capital as estimated by management. After applying sensitivity analysis in respect of the results and future cash flows, in particular for presumed growth rates and discount rates, management is satisfied that it is highly improbable that such a change in key assumptions would reduce the recoverable amount below book value.

Management consider that the discount rate used is a key assumption, however, a 5% increase in that rate would not result in the requirement for an impairment.

15. TRADE AND OTHER RECEIVABLES

	31 December 2023 £'000	31 December 2022 £'000
Trade receivables	757	784
Prepayments and accrued income	84	100
Corporation tax	80	-
Other receivables	25	68
	946	952



16. CASH AND CASH EQUIVALENTS

	31 December 2023 £'000	31 December 2022 £'000
Cash at bank and in hand	1,913	2,827
	<u>1,913</u>	<u>2,827</u>

17. LIABILITIES

	31 December 2023 £'000	31 December 2022 £'000
Current liabilities		
Trade payables	78	124
Social security and other taxes	81	84
Accruals	69	76
Other payables*	181	4
Bank loans and overdrafts	149	112
Corporation tax payable	-	61
	<u>558</u>	<u>461</u>
Non-current liabilities		
Bank loans	94	206
	<u>94</u>	<u>206</u>

*During the year, the Group acquired the website tvguide.co.uk which has a carrying value in the financial statements of £453,214. Of this sum, £180,000 was deferred until 2024 hence this is recorded within current liabilities.

18. LOANS AND OVERDRAFTS

	31 December 2023 £'000	31 December 2022 £'000
Bank overdrafts		
Due in less than one year	37	-
Bank loans		
Due in less than one year	112	112
Due in between one and two years	94	122
Due in between two and five years	-	84
	<u>243</u>	<u>318</u>

On 7 October 2020, Digitalbox Publishing Limited drew down a loan facility amounting to £450k under the CBILS scheme. The present value of the loan at inception discounted at a market rate of interest was £440k. The loan is for a term of five years and is repayable in equal monthly instalments which commenced in 2021. Interest is charged at a fixed rate of 2.43% per annum, with the cost being fully subsidised by central Government for the first 12 months.

The loan is secured by a debenture over the assets of the Digitalbox Publishing Limited and a £450k guarantee granted by Digitalbox plc. The outstanding balance at 31 December 2023 was £206k (2022: £318k).

19. DEFERRED TAX

	Total £'000
Balance at 1 January 2023	(617)
Deferred tax charge for the year	70
	<u>(547)</u>
Balance at 31 December 2023	(547)

	31 December 2023 £'000	31 December 2022 £'000
The deferred tax provision comprises:		
Intangible asset timing differences	257	176
Tax losses	(804)	(793)
	<u>(547)</u>	<u>(617)</u>

The expected net reversal of deferred tax in 2024 is £41k.

20. FINANCIAL RISK MANAGEMENT

The Group is exposed to risks that arise from its use of financial instruments. These financial instruments are within the current assets and current liabilities shown on the face of the statement of financial position and comprise the following:

Credit risk

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

The maximum exposure to credit risk is represented by the carrying value in the statement of financial position. The credit risk on liquid funds is low as the funds are held at a bank with a high credit rating assigned by international credit agencies.

	31 December 2023 £'000	31 December 2022 £'000
Current financial assets		
Trade receivables	757	784
Other receivables	189	67
Cash and cash equivalents	1,913	2,827
	<u>2,859</u>	<u>3,678</u>

20. FINANCIAL RISK MANAGEMENT (continued)

The table below illustrates the due date of trade receivables:

	31 December 2023 £'000	31 December 2022 £'000
Current	330	286
31 – 60 days	250	215
61 – 90 days	155	158
91 – 120 days	10	68
121 and over	12	57
	<u>757</u>	<u>784</u>

The table below illustrates the geographical location of trade receivables:

	31 December 2023 £'000	31 December 2022 £'000
United Kingdom	226	252
Europe	307	270
Rest of world	224	262
	<u>757</u>	<u>784</u>

The directors have considered expected credit losses under IFRS9 and have adopted the simplified approach to their evaluation as the Group has limited exposure to them. The Directors have provided for expected credit losses on a specific basis and this has led to the Group carrying a specific provision against trade debtors of £4k (2022: £20k). The Group experienced one bad debt write off in 2023 amounting to £4k.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and repayments of its liabilities.

The Group's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due and so cash holdings may be high during certain periods throughout the period.

The Group's policy in respect of cash and cash equivalents is to limit its exposure by reducing cash holding in the operating units and investing amounts that are not immediately required in funds that have low risk and are placed with a reputable bank.

Cash at bank and cash equivalents

	31 December 2023 £'000	31 December 2022 £'000
At the year end the Group had the following cash balances:	<u>1,913</u>	<u>2,827</u>

Cash at bank comprises Sterling and US Dollar cash deposits.

All monetary assets and liabilities within the group are denominated in the functional currency of the operating unit in which they are held. All amounts stated at carrying value equate to fair value.

	31 December 2023 £'000	31 December 2022 £'000
Financial liabilities at amortised cost		
Trade payables	78	124
Accruals	69	76
Bank loans and overdrafts	244	318
Other payables	180	4
	<u>571</u>	<u>522</u>

The table below illustrates the maturities of trade payables:

	31 December 2023 £'000	31 December 2022 £'000
Current	62	93
31 – 60 days	1	21
61 – 90 days	-	-
91 – 120 days	-	-
121 and over	15	10
	<u>78</u>	<u>124</u>

The table below shows the maturities of financial liabilities:

	Carrying amount £'000	6 months or less £'000	6-12 months £'000	1 or more year £'000
2023				
Trade payables	78	78	-	-
Accruals	69	69	-	-
Loans	244	94	56	94
Other payables	180	180	-	-
	<u>571</u>	<u>421</u>	<u>56</u>	<u>94</u>
2022				
Trade payables	124	114	-	10
Accruals	76	76	-	-
Loans	318	56	56	206
Other payables	4	4	-	-
	<u>522</u>	<u>250</u>	<u>56</u>	<u>216</u>



20. FINANCIAL RISK MANAGEMENT (continued)

Capital Disclosures and Risk Management

The Group's management define capital as the Group's equity share capital and reserves.

The Group's objective when maintaining capital is to safeguard its ability to continue as a going concern, so that in due course it can provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in the light of changes in the business and in economic conditions. In order to maintain or adjust the capital structure, the Group may from time to time issue new shares, based on working capital and product development requirements and current and future expectations of the Company's share price.

Share capital is used to raise cash and as direct payments to third parties for assets or services acquired.

Market risk

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group considers the interest rates available when deciding where to place cash balances.

Foreign currency risk

Foreign exchange transaction risk arises when individual Group operations enter into transactions denominated in a currency other than the functional currency. The principal risk arises from the Group's reliance on US Dollar denominated annual revenues which amounted to \$1.2m (2022: \$1.8m) with a trade debtor balance at the year-end of \$228k (2022: \$11k). The Group mitigates foreign exchange risk by selling forward US Dollars on a quarterly basis.

21. SHARE CAPITAL

	No. 31 December 2023	Value £'000	No. 31 December 2022	Value £'000
Called up share capital Allotted, called up and fully paid				
Ordinary shares of £0.01 each	117,923,393	1,179	117,923,393	1,179
	<u>117,923,393</u>	<u>1,179</u>	<u>117,923,393</u>	<u>1,179</u>

22. SHARE BASED PAYMENTS

During the year, the Group incurred a £96k share based payment charge (2022: £62k). Of this total, £46k (2022: £17k) was recorded as an expense in Digitalbox plc and £50k (2022: £45k) was recorded as an expense in Digitalbox Publishing Limited.

	2023 No. of share options	Weighted average exercise price	2022 No. of share options	Weighted average exercise price
Outstanding at beginning of year	4,541,919	5.51p	9,141,663	7.74p
Granted during the year	4,513,322	6.07p	-	-
Exercised during the year	-	-	(1,590,936)	5.51p
Expired during the year	(2,005,812)	5.20p	(3,008,808)	9.95p
Outstanding at the end of the year	<u>7,049,429</u>	<u>6.68p</u>	<u>4,541,919</u>	<u>5.51p</u>

5,516,228 options are exercisable after 3 years (see page 27), or an exit event.

169,285 options are exercisable immediately.

1,363,916 options relates to Warrants issued prior to the group's admission by Digitalbox Publishing (Holdings) Limited, a subsidiary of the company. These are exercisable upon the exercise of those warrants in a share for share exchange arrangement, under which the company acquires all shares issued in Digitalbox Publishing (Holdings) Limited and in consideration, issues shares to the warrant holders.

A Black-Scholes model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight-line basis over the vesting period, which is determined annually. The model assesses a number of factors in calculating the fair value. These include the market price on the date of grant, the exercise price of the share options, the expected share price volatility of the Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods.

The inputs into the models of options previously granted which have contributed to the share-based payment arising in the year are:

Date of grant	17/04/2020	24/02/2021	06/04/2023
Model type	Black Scholes	Black Scholes	Black Scholes
Vesting date	16/04/2023	23/02/2024	05/04/2026
Number of options granted	2,005,812	1,002,906	4,513,322
Share price at date of grant	6.75p	6.00p	7.88p
Exercise price	6.75p	6.00p	7.88p
Option life in years	10	10	10
Risk-free rate	10%	10%	5.25%
Expected volatility	65%	65%	65%
Expected dividend yield	0%	0%	0%
Fair value of options	4.62p	5.20p	6.07p

23. RESERVES

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

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

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

Share based payment reserve: Cumulative charges recognised in the consolidated statement of comprehensive income in relation to share based payments.

24. CAPITAL COMMITMENTS

At 31 December 2023 and 31 December 2022 there were no capital commitments.

25. RELATED PARTY TRANSACTIONS

During the year, Integral2 Limited billed £73k (2022: £65k) to the Group, a company related by virtue of David Joseph, a member of key management personnel, having control over the entity. As at 31 December 2023, £7k (2022: £6k) was owed to Integral2 Limited. During the year, David Joseph acquired 550,000 shares in Digitalbox plc at 8 pence per share through Integral 2 Limited.

During the year, M Capital Investment Partners (Holdings) Limited billed £6k (2022: £25k) to the Group, a company related by virtue of Martin Higginson, a member of key management personnel for part of the year, having control over the entity. As at 31 December 2023, £nil (2022: £3k), was accrued as owing to M Capital Investment Partners (Holdings) Limited. The balances stated here were for transactions up to the point that Martin Higginson resigned as a director and was therefore no longer a related party.

The key management personnel are considered to be the Board of Directors. Their remuneration is disclosed in detail in note 9. Key management were remunerated £431k in the year ended 31 December 2023 (2022: £406k).

The key management personnel have been provided with a total of 1,363,916 effective share options resulting in a charge of £46k in the period (2022: £17k).

COMPANY STATEMENT OF FINANCIAL POSITION

		At 31 December 2023 £'000	At 31 December 2022 £'000
Fixed assets			
Investments	III	6,226	11,209
Deferred tax asset	IV	17	-
		<u>6,243</u>	<u>11,209</u>
Current assets			
Trade and other receivables	V	1,213	1,286
Cash and cash equivalents	VI	-	1
		<u>1,213</u>	<u>1,287</u>
Current liabilities			
Bank overdrafts and loans	VII	(38)	-
Trade and other payables	VII	(31)	(73)
		<u>(69)</u>	<u>(73)</u>
Total current liabilities		(69)	(73)
		<u>(69)</u>	<u>(73)</u>
Net current assets		1,144	1,214
Total assets less total liabilities		<u>7,387</u>	<u>12,423</u>
Capital and reserves			
Called up share capital	VIII	1,179	1,179
Share premium account	IX	11,169	11,169
Share-based payment reserve	IX	138	196
Retained deficit	IX	(5,099)	(121)
		<u>7,387</u>	<u>12,423</u>
Shareholders' funds		<u>7,387</u>	<u>12,423</u>

The Company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its income statement in these financial statements. The Group profit for the year included a loss on ordinary activities after tax of £5,082k (2022: £102k loss) in respect of the Company.

The financial statements were approved by the Board and authorised for issue on 25 March 2024.



James Carter
 CEO



David Joseph
 CEO

Company registration number: 04606754

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share Premium £'000	Share-based payment £'000	Retained defecit £'000	Total £'000
Balance at 1 January 2022	1,163	11,149	464	(349)	12,427
Loss after tax	-	-	-	(102)	(102)
Issue of new shares	16	20	-	-	36
Share-based payments	-	-	62	-	62
Reserves transfer in respect of lapsed options	-	-	(330)	330	-
Balance at 31 December 2022	1,179	11,169	196	(121)	12,423
Loss after tax	-	-	-	(5,082)	(5,082)
Share-based payments	-	-	46	-	46
Reserves transfer in respect of lapsed options	-	-	(104)	104	-
Balance at 31 December 2023	1,179	11,169	138	(5,099)	7,387

The notes on pages 67 to 70 form part of the Company financial statements.

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by the Act the separate financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(l) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment and (iii) paragraph 118 (e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18a of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group financial statements of Digitalbox plc.

The principal accounting policies adopted are the same as those set out in note 4 to the consolidated financial statements except as noted below:

Valuation of investments

Investments in subsidiaries are stated at cost less any provision for impairment in value.

II. OPERATING PROFIT

The auditor remuneration for audit and other services is disclosed in note 8 to the consolidated financial statements.

The average number of employees of the company during the year was 5 (2022: 6) and total staff costs were £477k (2022: £468k). Directors' remuneration is disclosed in note 9 to the consolidated financial statements.

III. FIXED ASSET INVESTMENTS

31 December 2023
£'000

Subsidiary undertakings

Cost

Balance at 31 December 2022 and 31 December 2023 11,209

Provisions

Balance at 1 January 2023

Impairment charge for the year* (4,983)

Balance at 31 December 2023 (4,983)

Carrying value of investments 6,226

At the year end the Company had the following subsidiaries:

Subsidiary name	Class of shares	Proportion of ownership	Registered office
Digitalbox Publishing Limited	Ordinary	100% Indirect	Jubilee House, 92 Lincoln Road, Peterborough, PE1 2SN
Digitalbox Publishing (Holdings) Limited	Ordinary	100% Direct	Jubilee House, 92 Lincoln Road, Peterborough, PE1 2SN

Subsidiary name	Principal activity
Digitalbox Publishing Limited	Sale of digital advertising space
Digitalbox Publishing (Holdings) Limited	Holding company

* In determining the required level of impairment on the investment held by the Company in Digitalbox Publishing Limited, via its investment in Digitalbox Publishing (Holdings) Limited, the directors considered the aggregate contribution of the cash generating units held in that subsidiary, using the same forecasts, Weighted average cost of capital and lifetime term as that provided for the goodwill and intangible asset impairment assessment. This demonstrated a required impairment of £4,983k.

IV. DEFERRED TAX

Total
£'000

Balance at 1 January 2023 -

Deferred tax charge for the year (17)

Balance at 31 December 2023 (17)

The deferred tax provision comprises:

31 December
2023
£'000

Tax losses (17)

(17)

V. RECEIVABLES: due within one year

31 December
2023
£'000

31 December
2022
£'000

Amounts owed by group undertakings 1,177 1,261

Prepayments and accrued income 36 25

1,213 1,286

VI. CASH AND CASH EQUIVALENTS

31 December
2023
£'000

31 December
2022
£'000

Cash at bank and in hand - 1

- 1

VII. PAYABLES: amounts falling due within one year

31 December
2023
£'000

31 December
2022
£'000

Bank overdrafts and loans 38 -

Trade payables 8 10

Accruals 3 45

Other tax and social security 20 18

69 73



VIII. SHARE CAPITAL

Details of the Company's share capital can be found in Note 21 to the consolidated financial statements.

IX. RESERVES

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

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

Retained deficit: Cumulative net losses recognised in the company statement of comprehensive income.

Share based payment reserve: Cumulative charges recognised in the company statement of comprehensive income in relation to share based payments.

X. RELATED PARTY TRANSACTIONS

During the year, M Capital Investment Partners (Holdings) Limited billed £6k (2022: £25k) to the Group, a company related by virtue of Martin Higginson, a member of key management personnel for part of the year, having control over the entity. As at 31 December 2023, £nilk (2022: £3k), was accrued as owing to M Capital Investment Partners (Holdings) Limited. The balances stated here were for transactions up to the point that Martin Higginson resigned as a director and was therefore no longer a related party.

The key management personnel are considered to be the Board of Directors. Their remuneration is disclosed in detail in note 9. Key management were remunerated £431k in the year ended 31 December 2023 (2022: £406k).

The key management personnel have been provided with a total of 1,363,916 effective share options resulting in a charge of £46k in the period (2022: £17k).



Directors	Marcus Rich James Carter Jim Douglas Martin Higginson (resigned 30 April 2023) David Joseph Philip Machray
Company Secretary and Registered Office	David Joseph Jubilee House 92 Lincoln Road Peterborough PE1 2SN
Company Number	04606754
Registrars	Link Group 6th Floor 65 Gresham Street London EC2V 7NQ
Nominated Adviser and Broker	Panmure Gordon One New Change London EC4M 9AF
Joint Broker	Alvarium Capital Partners 10 Old Burlington Street London W1S 3AG
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitors	FREETHS LLP Floor 3 100 Wellington Street Leeds LS1 4LT
Country of Incorporation of Parent Company	England and Wales
Legal Form	Public Limited Company
Domicile	United Kingdom



Digitalbox plc
Jubilee House
92 Lincoln Road
Peterborough
PE1 2SN
United Kingdom
Co Reg No. 04606754

+44 (0)1225 430 091
digitalbox.com
© 2024

