29 March 2022

Digitalbox plc
("Digitalbox", the "Group" or the "Company")

Final Audited Results for the year ended 31 December 2021

Digitalbox plc, the mobile-first digital media business, which owns leading websites Entertainment Daily, The Daily Mash and The Tab, today publishes its final audited results for the year ended 31 December 2021.

The Company will host a live investor presentation through the Investor Meet Company platform today at 10.00am (further details below).

Financial Highlights

	2021	2020	Variance
Group revenue	£3.7m	£2.2m	+68%
Gross profit	£3.1m	£1.7m	+89%
Gross profit margin	86%	76%	+10 ppts
Adjusted EBITDA(1)	£1.0m	£0.3m	+237%
Adjusted EBTDA margin(1)	28%	14%	+14 ppts
Profit/loss before taxation	£0.63m	£(0.14)m	+£0.77m
Net cash generated from operating activities	£0.51m	£0.38m	+34%
Gross cash	£2.2m	£1.9m	+16%

(1) Adjusted EBITDA is defined as the operating profit/(loss) after adding back depreciation, amortisation, share based payments, acquisition and listing costs, direct costs associated with business combinations and capital restructure costs.

Operational Highlights

- Entertainment Daily was named by UK Press Gazette as the fastest growing news site in the UK for two months running
- User base grew 82% year-on-year
- Average of over 22m monthly user visits to Digitalbox sites – providing truly significant user scale to the market
- New Graphene Ad Stack enables optimisations to be rapidly applied – ensured The Tab December 2021 session values were up more than 100% over the previous December
- The Tab paid back over 70% of its purchase price within the first 15 months of ownership
- Strong year for The Daily Mash – launched ad-free experience behind a paywall to diversify revenue sources
- TV relationship moved from the BBC to Dave – Late Night Mash increased the number of episodes from six to nine. The show was Dave's third best performing show for the year, delivering double the slot average

Current trading and outlook

- Trading for the current financial year remains strong and in line with market expectations
- Digitalbox is well placed to capitalise on the recovery of both the advertising market and entertainment production houses post the Pandemic
- Strong balance sheet of £2.7m gross cash as at 25 March 2022, with the ability and flexibility to evaluate and execute further acquisitions

James Carter, CEO, Digitalbox plc, said: "2021 was an important year for Digitalbox, with profitable growth and further progress made in delivering our strategy of building a leading mobile-focused media business. We developed our portfolio, attracted new audiences, and monetised them effectively. The successful year-end outcome has been greatly aided by our knowledge, focus and technology, allowing us to drive benefit from our strategic positioning. Against a backdrop of economic disruption created by the Pandemic, we were well served by operating in the segment of the advertising market which presents the most accountable and relevant commercial solutions. When pressure was placed on marketeers in 2020 and 2021, they chose to increasingly shift their spend to targeting highly engaged users on mobile devices – Digitalbox's heartland.

The two acquisitions we have completed since our admission to AIM – The Daily Mash and The Tab – have 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.

Current trading remains strong and in line with market expectations. In short, we have entered 2022 with a portfolio of assets primed for future growth, a stronger investor base and a confident digital advertising sector destined to increase its share of global ad spend significantly."

Investor Presentation – Investor Meet Company

Digitalbox will also provide a live investor presentation through the Investor Meet Company platform today at 10.00am. The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet Digitalbox plc via

hiips://www.investormeetcompany.com/digitalbox-plc/register-investor.

Investors who have already registered and added to meet the Company will be automatically invited.

Market abuse regulation

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (MAR).

Enquiries:

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About Digitalbox plc

Based in Bath, UK, Digitalbox is a 'pure-play' digital media business with the aim of profitable publishing at scale on mobile platforms.

Digitalbox operates three trading brands, Entertainment Daily, The Tab and The Daily Mash. Entertainment Daily produces and publishes online UK entertainment news covering TV, showbiz and celebrity news. The Daily Mash produces and publishes satirical news content. The Tab is the UK's biggest youth culture site fueled by students.

Digitalbox generates revenue from the sale of advertising in and around the content it publishes. The Group's optimisation for mobile enables it to achieve revenues per session significantly ahead of market norms for publishers on mobile.

Chairman's Statement

I am delighted to report that Digitalbox plc ('Digitalbox') has successfully continued to deliver on its growth strategy in 2021 as it strengthened all parts of its business.

When the management team set about building Digitalbox they did so by identifying consumer media trends that they were confident would play out over the medium term. These trends have generally been accelerated by the global pandemic which, whilst painful for all in 2020, have progressed the business more quickly than would have once been anticipated.

As the market continued to experience uncertainty throughout the year, Digitalbox was able to quickly adapt, benefiting from the agile structures put in place during 2020. With strong editorial propositions running through the portfolio, the teams expertly navigated the market to extract great value over the year, assisted by some post-pandemic tailwinds. The delivery of the female audience at scale is continuing to build a premium price from advertisers.

As the year progressed, the business has built its cash position from a starting point of £1.9m to £2.2m at 31 December 2021. While maintaining the CBILS loan from 2020, this increasingly puts the business in a stronger position when it comes to making investment decisions and the team have continued to review potential acquisitions and opportunities for in-house growth. The amount outstanding on the CBILS loan as at 31 December 2021 was £0.4m. The gross cash balance on hand as at 25 March 2022 was £2.7m.

In terms of acquisitions, the Tab is a great example of how Digitalbox acquire and improve a business. Moving into operating profit in its first month of ownership, the asset paid back over 70% of its purchase price by the year end alongside bringing other financial benefits to the business. The team spent time further integrating the editorial operation whilst strengthening its commercial operations, which saw advertising session values more than double for the critical trading month of December.

Much of Digitalbox's success has been driven by its Graphene platform. With a technology team briefed to optimise everything they can from a mobile perspective, Graphene is constantly evolving as the market changes and is behind the company strengthening its position in all key areas, including commercial growth and audience engagement.

This combination of maintaining agile structures, delivery on strategy and using skills to best adapt to positive market conditions has led to a 68% year-on-year growth in revenue and a strong £1.0m of adjusted EBITDA compared to £0.3m in 2020.

Adjusted EBITDA is defined as the operating profit/(loss) after adding back depreciation, amortisation, share based payments, acquisition and listing costs, direct costs associated with business combinations and capital restructure costs.

We strengthened the Board with the appointment of Philip Machray in July 2021 as an independent non-executive director.

While we all hope the chief impacts of the pandemic are largely over, this mobile-first business is in excellent shape to take advantage of the new economic landscape.

As management are strengthening the operating team through new appointments, we remain highly cash generative and with healthy cash reserves in hand, we are in a great position to deliver further opportunities for growth in 2022.

Marcus Rich
Chairman
28 March 2022

Chief Executive's Statement

2021 was an important year for Digitalbox, with profitable growth and further progress made in delivering our strategy of building a leading mobile-focused media business. We developed our portfolio, attracted new audiences and monetised them effectively. The successful year-end outcome has been greatly aided by our knowledge, focus and technology allowing us to drive benefit from our strategic positioning.

Against a backdrop of economic disruption created by the pandemic, we were well served by operating in the segment of the advertising market which presents the most accountable and relevant commercial solutions. When pressure was placed on marketeers in 2020 and 2021, they chose to increasingly shift their spend to targeting highly engaged users on mobile devices – Digitalbox's heartland. As we have continued to build our audience base to become one of the most significant publishers for women in the UK, we have benefited from the market demand for quality advertising inventory at scale for this demographic.

Financial review

Like the major platform businesses (Facebook/Google/Amazon), Digitalbox has benefited from a positive shift in consumer media behaviour and the arising marketing trends. Traffic has been stimulated by the ubiquity of mobile devices that has seen usage time climb to record levels in 2021. Advertising markets also grew back strongly, and while the market returned in a less traditional shape due to some macro-economic challenges, it really surged forwards over the year.

With this momentum in the market, Digitalbox again traded profitably in 2021 delivering an adjusted EBITDA of more than £1.0m while building its cash position to £2.2m as at 31st December 2021. The business therefore ended the year with revenues up 68% year on year to £3.7m, which the Board consider a significant achievement. Revenues include 12 months of trading on the Tab to 31st December 2021 (versus three months of trading in 2020). The outcome is a strong indicator of the Digitalbox business model.

Gross profit was £3.1m (2020: £1.7m) delivering a year-on-year margin increase on the back of advertising rates recovering and delivering healthy gross margins of 86% (2020: 76%). Adjusted EBITDA for the year was £1.0m (2020: £0.3m), and our adjusted EBITDA margin doubled to 28% (2020: 14%).

Digitalbox has a low capital expenditure requirement and is not working capital hungry. This, together with the successful £1.2m placing with Downing Ventures in October 2020, alongside our CBILS loan of £0.45m secured in the same month, ensured that the business continued to strengthen its balance sheet and cash reserves, ending the year with £2.2m of cash (2020: £1.9m). We retained the CBILS loan but repaid the £50k Bounce Back Loan inherited when we acquired Tab Media Limited.

Market landscape

As the AIM market has seen new entrants from the media industry over the past year, it is good to see this increased activity draw attention to our sector. It has also been increasingly pleasing to see the market recognise the value contained within the Digitalbox business, with further headroom on valuations given those of comparable peers. There are commonalities in our operation to that of LBG Media plc and our UK female audience figures are positioned positively alongside those of Future plc.

Operating review

2021 was a year of continued uncertainty due to the pandemic, but it further demonstrated the effectiveness of the digital advertising medium as its share grew towards 60% of global ad spend. As the pandemic disrupted movement and shopping habits, it rapidly accelerated the adoption of ecommerce via the most personal of channels, the mobile device. With Digitalbox's mobile-first focus, we were well positioned for the market adjustments of 2021 and remain very well placed for the forecast growth over coming years.

Digitalbox currently owns and operates three trading brands – Entertainment Daily, The Daily Mash and The Tab. Entertainment Daily produces and publishes online UK entertainment news covering TV, showbiz and celebrities. The Daily Mash delivers online satirical news articles in its own distinctive style and The Tab is the UK's largest student and youth culture site fuelled by a network of more than 30 local university sites. All three brands generate revenue from advertising in and around the content they publish.

Our user base grew 82% year-on-year as we strengthened our portfolio of assets over the 12-month period. As well as building out further strands to our existing brands we invested in ensuring The Tab was as well integrated as possible to benefit from our technology and drive its commercial success.

Compelling content remains at the core of the Digitalbox offering, created by talented teams with an expert understanding of their respective audiences. We couple this expertise with our proprietary mobile-first tech stack, Graphene. Named after the incredibly fast, light, super-conductive material, Graphene has been shaped to deliver the best user experience through the fastest and lightest page load speeds on mobile and highly efficient advertising auctions that drive value through competitive tension. It enables audiences to scale rapidly with the least resistance from the technology as the major platforms continue to up-rank publishers in real time as speed quickens.

The Tab has proved to be a great success since its acquisition at the end of 2020. It has now paid back over 70% of its purchase price within the first 15 months of ownership. We have been considering further acquisitions and have been highly selective, rejecting some targets owing to the nature of their broken business models and some for being overpriced. We continue to scour the market and with cash in the bank will move quickly where we can realise the appropriate value.

The Digitalbox team is being scaled to bring capacity for further growth on our existing brands and to ensure any acquisitions can be quickly integrated, while operational efficiencies remain strong.

Leading as a mobile-first business

Our strategy to create a mobile-first business has positioned us as a market leader for both audience engagement and monetisation. Push media skills remain critical and our brands continue to engage consumers at scale with over 88% of our audience on Entertainment Daily, The Daily Mash and The Tab visiting on mobile devices. With an average of over 22m monthly user visits to our sites, we provide truly significant user scale to the market.

As noted earlier, mobile advertising spend was growing well ahead of the pandemic. The COVID-19 pandemic has accelerated the trend, with digital advertising now accounting for 64% of all global advertising expenditure. As part of our Graphene technology suite that supports our mobile-first strategy, we have built a new Graphene Ad Stack (G.A.S.) which enables optimisations to be rapidly applied. As previously reported, our G.A.S. video player has helped contribute to our growth with record revenues being generated in December 2021.

PROJECTED GLOBAL DIGITAL / MOBILE AD SPEND

	2021	**2022**	**2023**	**2024**	**2025**	**2026**
Global Digital Ad Spend $bn*	465	515	560	602	643	683
Mobile % of total*	60%	62%	64%	66%	68%	70%

*Source: Statista Worldwide Digital Advertising Report Nov 2021

Portfolio growth

Entertainment Daily saw its user-base grow as the site diversified its traffic sources. The site was named by UK Press Gazette as the fastest growing news site in the UK for two months running. Google now accounts for over 40m sessions and is set for further growth as we invest more in SEO content and optimisation alongside the Discover feed. Facebook also performed well as the turbulence within its ecosystem reduced after the challenges of the US elections in 2020. The editorial team hit all the TV and showbiz stories as the news broke, maximising traffic and social engagement around moments that caught the nation's imagination.

We acquired the UK's most successful student and youth culture site, The Tab in late 2020. The site was founded by three students at Cambridge in 2009 as a reaction to out-of-touch student papers and since then it has exploded into one of the biggest youth media sites in Britain, speaking directly to Generation Z and engaging with more than six million users a month. Content is driven by a core team based in London who work with student journalists on more than 30 subsites across UK campuses, offering a mix of smart takes on trending youth culture and strong campaigning editorial. Not only is this an incredible opportunity to engage with this influential demographic, it also opens up a pool of smart journalist talent who may well be interested in contributing to the broader Digitalbox business.

While the Tab's founders were right about the need for a fresh, relevant platform for the student audience, we have spent time refining the commercial approach. G.A.S. has increased its impact over 2021 with the December 2021 session values being up more than 100% over the previous December. This is a great case study in how our approach can take websites forward with a much more efficient operating model.

The Daily Mash had a strong year growing back from the Facebook misinformation algorithm that caused setbacks in 2020 when Facebook/Meta struggled to identify the difference between satire and fake news. With a highly loyal core audience we decided to diversify our revenue sources on the site through the test launch of an ad-free experience behind a paywall. This test has proved very encouraging with over 450 subscribers and we plan to scale the project with the addition of a premium content offering for these paying visitors. We also moved our TV relationship from BBC2 to UK TV's Dave channel where the Late Night Mash show upped its on-air time from 30 mins to 45 minutes per episode and increased the number of episodes from six to nine for the season. The show achieved fantastic BARB (Broadcasters Audience Research Board) audience figures by establishing itself as the channel's third best performing show for the year and delivering more than double the slot average audience.

Culture and people

We are focused on creating a culture that enables talented people to do their best work. Even before the pandemic that meant being flexible 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.

During the year our teams rose to the challenges presented by reduced face-to-face contact while delivering great results. Good communication and a sense of inclusion are important to us, so we publish monthly all-staff updates on progress and stage weekly leadership sessions alongside daily team meetings. Building on this, in July we held our first all-staff conference which was a fantastic opportunity to bring everyone together and share ideas.

Recruiting and retaining great people is crucial to our success. Our success hiring younger talent on Entertainment Daily through its apprentice programme has continued along with new development opportunities, training and development for more senior staff. The Daily Mash has strengthened its commissioning team, and we have used The Tab's outreach network to bring new writing talent onto the site.

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 immediate families have access to our free wellbeing & 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 staff across the business for their incredible hard work and commitment during the last year and their valuable contribution to these results. I would also like to thank all those student journalists who have contributed to The Tab over the year, some of whom I had the pleasure of meeting at the brand's annual student curry night in Brick Lane.

Business outlook
Digitalbox has continued to develop as a profitable UK digital media business positioned squarely in the mobile space.

Global digital advertising spend is forecast to grow by more than 50% in the next four years. The market reaction to the COVID-19 pandemic has accelerated the positive trends we had already identified, pushing the business to the forefront as mobile devices market share is forecast to shift from 60% of all digital ad spend in 2021 to 70% in 2026 (see table above) and our content and tech teams continue to strengthen delivery through this channe

Beyond the advertising market, the entertainment production houses that were hit hard in 2020 are also recovering well. 2022 is anticipated to see UK TV production spend rise to over £10bn, which we anticipate will benefit our audience engagement with new shows to cover and provide further opportunities for our associated TV show, Late Night Mash.

The two acquisitions we have completed since our admission to AIM – The Daily Mash and The Tab – have 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.

Current trading remains strong and in line with market expectations. We remain alert to any market adjustments as a result of the war in the Ukraine, although Digitalbox is no more exposed than any other primarily UK-based media business. The Company has made a charitable donation to the Disasters Emergency Committee to assist those impacted by the crisis.

In short, we enter 2022 with a portfolio of assets primed for future growth, a stronger investor base and a confident digital advertising sector destined to significantly increase its share of global ad spend.

James Carter
Chief Executive
28 March 2022

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.

Both Meta and Alphabet 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 its Discover feed which is now making billions of content suggestions and Facebook 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.
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 models, consumers continue to support other push media sources too, with the continued growth of TikTok amongst the younger demographic. As a result, we continue to see growth opportunities.

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.

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 great value on high-quality UK traffic.

The addition of The Tab at the end of September 2020 with its hyper-local university sites adds even more depth to this element of our strategy.

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 integration of The Tab acquisition in 2020 marked our second acquisition after The Daily Mash in 2019. The results have been pleasing as we have improved the brand's commercial performance to a point where it has repaid 70% of its acquisition cost after the first 15 months.

We will continue 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. The fruits of this approach included Entertainment Daily being named fastest growing news brand in the UK for both August and September by respected industry source UK Press Gazette.

Audiences that are in demand
Entertainment Daily reaches a core demographic of 25-55 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. Our audience has evolved to more than 4m per month and our channel diversification saw significant growth from Google-sourced users.

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, they are seen as selective and discerning. These 25-44 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 youth media sites in Britain, speaking directly the UK's 15-24 year olds. 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 three audiences have further scope for growth and cross-fertilisation as they continue to demonstrate increasing levels of engagement.

It's also worth noting that female readers are particularly in demand by advertisers and women visited Digitalbox's websites more than 180 million times in 2021.

Mobile-optimised Graphene tech platform
Graphene is our scalable and dynamic mobile-first tech stack; a blend of technologies allowing our websites to flourish through fast, light-touch content delivery and optimised mobile profitability. It brings significant advantages to how our sites are experienced by users and ranked by the key platforms – especially Alphabet and Meta – and also enables us to reduce tech and serving costs. Since our deployment of the Graphene Ad Stack (G.A.S.) The Tab has seen session values more than double since early 2021.

Graphene will continue to evolve through increased investment in our tech roadmap in 2022 and we will on-board future acquisitions onto the platform.

Portfolio development
While profitability is key, we continue to invest in the existing business. 2022 will see additional investment across Entertainment Daily, The Tab and The Daily Mash as we aim to deliver further meaningful growth from diversification of our key routes to audiences.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Revenue	7	3,667	2,187
Cost of sales		(529)	(529)
Gross profit		3,138	1,658
Administrative expenses		(2,508)	(1,823)
Other operating income	8	10	24
Operating profit/(loss)	8	640	(141)
Memorandum:			
Adjusted EBITDA[1]		**1,029**	**305**
Depreciation		(31)	(30)
Amortisation		(215)	(149)
Share based payments		(143)	(140)
Direct costs of business combinations		-	(98)
Capital restructure costs		-	(29)
Operating profit/(loss)		**640**	**(141)**
Finance costs	10	(14)	(2)
Finance income		1	-
Profit/(loss) before taxation and attributable to equity holders of the parent		**627**	**(143)**
Taxation	11	(231)	(48)
Profit/(loss) after tax		**396**	**(191)**

All profits/(losses) after taxation arise from continuing operations.

There was no other comprehensive income for 2021 (2020: £NIL).

[1]Adjusted EBITDA is defined as the operating profit/(loss) after adding back depreciation, amortisation, share based payments, acquisition and listing costs, direct costs associated with business combinations and capital restructure costs.

		£	£
Gain/(loss) per share			
Basic (continuing)	12	0.00340	(0.00198)
Gain/(loss) per share			
Diluted (continuing)	12	0.00335	(0.00198)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £'000	Share premium £'000	Share based payment £'000	Retained (deficit)/ earnings £'000	Total equity £'000
Balance at 1 January 2020	**21,331**	**29,757**	**181**	**(39,836)**	**11,433**
Shares issued	260	976	-	-	1,236
Share issue costs	-	(84)	-	-	(84)
Capital reduction	(20,428)	(19,500)	-	39,928	-
Equity settled share-based payments	-	-	140	-	140
Loss after tax	-	-	-	(191)	(191)
Balance at 31 December 2020	**1,163**	**11,149**	**321**	**(99)**	**12,534**
Equity settled share-based payments	-	-	143	-	143
Profit after tax	-	-	-	396	396
Balance at 31 December 2021	**1,163**	**11,149**	**464**	**297**	**13,073**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		31 December 2021	31 December 2020
ASSETS	**Note**	**£'000**	**£'000**
Non-current assets			
Property, plant and equipment	13	46	19
Intangible fixed assets	14	10,710	10,839
Total non-current assets		10,756	10,858
Current assets			
Trade and other receivables	15	1,770	1,047
Cash and cash equivalents	16	2,186	1,853
Total current assets		3,956	2,900
Total assets		14,712	13,758
LIABILITIES			
Current liabilities			
Trade and other payables	17	(739)	(449)
Lease liabilities	17	(29)	(2)
Bank loans	17	(112)	(25)
Corporation tax	17	(163)	(51)
Total current liabilities		(1,043)	(527)
Non-current liabilities			
Lease liabilities	17	(2)	-
Bank loans	17	(319)	(465)
Deferred tax liability	19	(275)	(232)
		(596)	(697)
Total liabilities		(1,639)	(1,224)
Total net current assets		2,913	2,373
Total net assets		13,073	12,534
Capital and reserves attributable to owners of the parent			
Share capital	21	1,163	1,163
Share premium	23	11,149	11,149
Share based payment reserve	23	464	321
Retained earnings/(deficit)	23	297	(99)
Total equity		13,073	12,534

The financial statements were approved by the Board and authorised for issue on 28 March 2022

James Carter
CEO

David Joseph
CFO

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash flows from operating activities		
Profit/(loss) from ordinary activities after tax	396	(191)
Adjustments for:		
Income tax expense	231	48
Share based payments	143	140
Depreciation on property plant and equipment	31	30
Amortisation of intangible assets	215	149
Finance costs	14	2
Finance income	(1)	-
Cash flows from operating activities before changes in working capital	**1,029**	**178**
Decrease / (increase) in trade and other receivables	(723)	518
Decrease in trade and other payables	280	(205)
Cash generated by operations	**586**	**491**
Income tax paid	(76)	(109)
Net cash from operating activities	**510**	**382**
Investing activities		
Purchase of property, plant and equipment	(2)	-
Purchase of intangibles	(86)	-
Acquisition of subsidiary	-	(841)
Cash on acquisition	-	269
Interest received	1	-
Net cash used in investing activities	**(87)**	**(572)**
Financing activities		
Finance costs	(4)	(2)
New loans and finance leases	-	440
Loan and finance lease repayments	(86)	(24)
Issue of new share capital	-	1,236
Costs on issue of shares	-	(84)
Net cash from financing activities	**(90)**	**1,566**
Net increase in cash and cash equivalents	**333**	**1,376**
Cash and cash equivalents at beginning of the period	1,853	477
Cash and cash equivalents at end of the period	**2,186**	**1,853**

Reconciliation of net cash flow to movement in net funds:

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Net increase in cash and cash equivalents	333	1,376
Inception of finance leases	(56)	-
New loans	-	(440)
Loans acquired in business combinations	-	(50)
Repayment of loans and finance leases	86	24
Movement in net funds in the year	363	910
Net funds at 1 January	1,361	451
Net funds at 31 December	1,724	1,361

Breakdown of net funds

Cash and cash equivalents	2,186	1,853
Lease liabilities	(31)	(2)
Bank loans	(431)	(490)
Net funds at 31 December	1,724	1,361

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Digitalbox Plc is a public limited company incorporated and domiciled in the United Kingdom. The address of the registered office 2-4 Henry Street, Bath, England, BA1 1JT. 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. Foreign operations are included in accordance with the policies set out in note 4.

2. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED IN THE CURRENT FINANCIAL YEAR ENDED 31 DECEMBER 2021

The following IFRS standards, amendments or interpretations became effective during the year ended 31 December 2021 but have not had a material effect on this Consolidated Financial Information:

Standard
Amendments to IFRS 16: Leases (Covid-19-Related Rent Concessions)

All new standards and amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2021 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 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property Plant and Equipment (Proceeds before intended use)	1 January 2022
Amendments to IAS 37	Onerous Contracts (Cost of fulfilling a contract)	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 1	Disclosure of accounting policies	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

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 2022.

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
Considering the profit generated during the year of £396k (2020: loss of £191k), the Group had closing net assets of £13,073k (2020: £12,534k), net current assets of £2,913k (2020: £2,373k) and cash at bank and in hand of £2,186k (2020: £1,853k).

The Group generated cashflows from operating activities of £510k during the year. The Group has remained cash generative during a difficult economic period which saw the profound impact of COVID-19.

In considering going concern, the Directors consider the current financial position and performance of the business, as well as reviewing financial information for a period of at least 12 months from the date of approval of the financial statements. Given the financial performance of the Group, the successful acquisition and integration of Tab Media in 2020 and the expectations from forecast financial information, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Directors believe that they can continue to mitigate the impact of COVID-19 as has been demonstrably achieved in the year ended 31 December 2021, and accordingly continue to adopt the going concern basis in preparing the financial statements.

Business combinations and goodwill
Acquisitions of subsidiaries and business are accounted for using the acquisition method. 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.

Leases
The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The Group assesses its discount rate using its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is included in Payables in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciation over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the tangible fixed assets in the Statement of Financial Position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts any identified impairment losses.

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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income and expense in the period in which the operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates.

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.

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.

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
Right-of-Use asset	- over term of lease

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 cashflows. 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).

Taxation and deferred taxation (continued)
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.

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.

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

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

Impairment of the valuation of the goodwill relating to the acquisition of cash generating units 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 cash generating units 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 give due consideration to the impact of COVID-19 on the future cash flows, and are stress tested under a range of scenarios. In all instances, the headroom is sufficient to satisfy the Directors that there are no indicators of impairment based on circumstances that were present or could be reasonably foreseen at the reporting date.

Critical accounting Estimates

Amortisation of intangible assets

The periods of amortisation adopted to write down capitalised intangible assets requires judgements to be made in respect of estimating 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.

Depreciation

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively.

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 a judgement 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.

IFRS 16 discount rates

The Group estimates an appropriate discount rate based on an incremental rate of borrowing for the calculation of the IFRS 16 right-of-use assets. This requires judgement as to an appropriate discount rate.

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 COVID-19 pandemic. 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:

2021	Entertainment Daily £'000	Mashed Productions £'000	The Tab £'000	Head Office £'000	Total 2021 £'000
Revenue	2,463	308	896	-	3,667
Cost of sales	(205)	(171)	(153)	-	(529)
Administrative expenses*	(474)	(86)	(287)	(1,272)	(2,119)
Other operating income	-	-	-	10	10
Adjusted EBITDA	1,784	51	456	(1,262)	1,029
Amortisation	-	-	-	(215)	(215)
Depreciation	-	-	-	(31)	(31)
Share based payments	-	-	-	(143)	(143)
Finance income	-	-	-	1	1
Finance costs	-	-	-	(14)	(14)
Tax	-	-	-	(231)	(231)
Profit/(loss) for the year	1,784	51	456	(1,895)	396

6. SEGMENTAL INFORMATION (continued)

2020	Entertainment Daily £'000	Mashed Productions £'000	The Tab £'000	Head Office £'000	Total 2020 £'000
Revenue	1,641	334	208	4	2,187
Cost of sales	(307)	(192)	(30)	-	(529)
Administrative expenses*	(447)	(40)	(71)	(819)	(1,377)
Other operating income	-	-	-	24	24
Adjusted EBITDA	887	102	107	(791)	305
Amortisation	-	-	-	(149)	(149)
Depreciation	-	-	-	(30)	(30)
Acquisition costs	-	-	-	(98)	(98)
Capital restructure costs	-	-	-	(29)	(29)
Share based payments	-	-	-	(140)	(140)
Finance costs	-	-	-	(2)	(2)
Tax	-	-	-	(48)	(48)
Profit/(loss) for the year	887	102	107	(1,287)	(191)

*Administrative expenses exclude depreciation, amortisation, share based payments and acquisition and listing costs.

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 2021 Continuing £'000	31 December 2020 Continuing £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
United Kingdom	1,683	1,024	14,205	13,475	58	-
Europe	665	704	141	103	-	-
Rest of World	1,319	459	366	180	-	-
	3,667	2,187	14,712	13,758	58	-

7. REVENUE

Revenue by stream is split:	2021 £'000	2020 £'000
Advertising	3,667	2,187
	3,667	**2,187**

Revenue by location is split:	2021 £'000	2020 £'000
United Kingdom	1,683	1,024
Europe	665	594
Rest of world	1,319	569
	3,667	**2,187**

The Group had three customers whose revenue individually represented 10% or more of the Group's total revenue, being 21.1%, 15.0% and 11.5% respectively.

8. PROFIT/LOSS FROM OPERATIONS

	2021 £'000	2020 £'000
This is arrived at after charging/(crediting):		
Continuing operations		
Staff costs (see note 9)	1,584	1,078
Direct costs of business combinations	-	98
Depreciation of property, plant & equipment	31	30
Amortisation of intangible fixed assets	215	149
Foreign exchange differences	17	(27)
Government grants	(10)	(24)

Auditors' remuneration in respect of the Company	18	18
Audit of the Group and subsidiary undertakings	34	33
Auditors' remuneration – corporate finance fees	-	25
	52	76

In 2021, government grants of £10k (2020: £24k) were received as part of the Government's initiatives to provide immediate financial support as a result of the COVID-19 pandemic. There are no future related costs associated with these grants which were received solely as compensation for costs incurred in the year.

9. STAFF COSTS

	2021 £'000	2020 £'000
Staff costs for all employees, including Directors consist of:		
Wages and salaries	1,284	838
Social security costs	101	90
Pensions	14	10
	1,399	938
Share based payment charge	143	140
	1,542	1,078

The average number of employees of the group during the year was as follows:	2021 Number	2020 Number
Directors	6	6
Management and administration	3	3
Content	20	11
	29	20

Directors' Detailed Emoluments

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

	Salary 2021 £'000	Consultancy 2021 £'000	Bonus 2021 £'000	Pension 2021 £'000	Total 2021 £'000	Total 2020 £'000
N Burton (resigned 17 February 2021)	3	-	-	-	3	25
J Carter	127	-	*160	1	288	128
J Douglas	127	-	*160	1	288	128
M Higginson	-	25	-	-	25	25
D Joseph	41	-	-	-	41	41
R Miller (resigned 17 February 2021)	3	11	-	-	14	35
M Armitage (resigned 1 July 2021)	13	-	-	-	13	-
P Machray (joined 1 July 2021)	**13	-	-	-	13	-
M Rich (joined 17 February 2021)	***30	-	-	-	30	-
Total	**357**	**36**	**320**	**2**	**715**	**382**

*100% of net proceeds from bonus payment used to repay the directors company loans.
**annual salary is £25k p.a.
***annual salary is £35k p.a.

9. STAFF COSTS (continued)

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:

Director	Shares of £0.01 31/12/2021		Shares of £0.01 31/12/2020	
James Carter	10,908,078	9.4%	10,908,078	9.4%
James Douglas	10,908,078	9.4%	10,908,078	9.4%

Details of the EMI options over the Company's shares held by the directors are as follows:

	Type of Option	Options held at 31 December 2021	Exercise price £	Date of grant	Exercise period
James Carter	EMI option	1,504,404	0.14	28 February 2019	28 February 2022
James Douglas	EMI option	1,504,404	0.14	28 February 2019	28 February 2022

In addition, effective options in Digitalbox plc exist due to three directors having warrants in its subsidiary company, Digitalbox 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
Martin Higginson	1,590,936
	2,954,852

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.

On 16 February 2022 Martin Higginson exercised his warrants in full. This is noted as a post balance sheet event at note 27.

Further information on share options is included in note 22.

The market price of the shares at 31 December 2021 was 8.70p with a quoted range from throughout 2021 of 5.25p to 9.25p. The EMI options vest based on performance criteria detailed in note 22.

10. FINANCE COSTS

	2021 £'000	2020 £'000
Interest on lease liabilities	2	1
Bank charges and interest payable	-	1
Interest on bank loans	12	-
	14	2

11. TAXATION ON PROFIT/LOSS FROM ORDINARY ACTIVITIES

	2021 £'000	2020 £'000
Corporation tax – current period	165	50
Corporation tax – adjustment in respect of prior periods	24	12
Deferred tax – current period	27	(14)
Deferred tax – adjustments in respect of prior periods	15	-
Tax credit/(charge) for the year	231	48

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

	2021 £'000	2020 £'000
Total profit/(loss) on ordinary activities before tax	627	(143)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	119	(27)
Effects of:		
Expenses not deductible for tax purposes	30	46
Income not taxable	-	(1)
Adjustments to prior periods	39	15
Deferred tax not recognised – loss relief in current period	(23)	-
Effect of changes in tax rates on deferred tax	66	15
Tax credit for the year	231	48

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 newly enacted tax rate of 25% (2020: 19%) in these financial statements.

There were unused tax losses at 31 December 2021 amounting to £3,434k. In the majority, these were restricted for use for 5 years against future taxable profits arising from the trade formerly carried on in Tab Media Limited and now carried on in Digitalbox Publishing Limited. No deferred tax asset has been recognised owing to materiality in the short term.

12 EARNINGS PER SHARE

The earnings per share is based on the following:	2021 £'000	2020 £'000
Continuing earnings post tax attributable to shareholders	396	(191)
Basic weighted average number of shares	116,332,457	96,425,598
Diluted weighted average number of shares	118,297,010	96,425,598
Basic earnings per share (£)	0.00340	(0.00198)
Diluted earnings per share (£)	0.00335	(0.00198)

Earnings/(Loss) 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 has been tracked against the quoted share price of the business from time to time during the year, and taken into account 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 2020 and 1 January 2021	33	27	60
Additions	56	2	58
Disposals	(33)	-	(33)
Balance at 31 December 2021	56	29	85
Accumulated depreciation			
Balance at 1 January 2020	8	3	11
Depreciation charge	23	7	30
Balance at 1 January 2021	31	10	41
Depreciation charge	27	4	31
Depreciation eliminated on disposal	(33)	-	(33)
Balance at 31 December 2021	25	14	39
Net Book Value			
At 31 December 2021	31	15	46
At 31 December 2020	2	17	19
At 31 December 2019	25	24	49

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

	2021 £'000	2020 £'000
Tangible fixed assets owned	15	17
Right-of-Use tangible fixed assets	31	2
	46	19

Information about the Right-of-Use assets is summarised below:

Net Book Value	2021 £'000	2020 £'000
Property	31	2
	31	2

Depreciation charge in respect of the Right-of-Use asset is as follows:

	2021 £'000	2020 £'000
Property	27	23
	27	23

14. INTANGIBLE FIXED ASSETS

GROUP	Goodwill Arising on Consolidation £'000	Other Intangible Assets £'000	Development costs £'000	Total £'000
Cost				
Balance at 1 January 2020	9,492	854	35	10,381
Additions	118	622	-	740
Balance at 1 January 2021	9,610	1,476	35	11,121
Additions	-	-	86	86
Balance at 31 December 2021	9,610	1,476	121	11,207
Accumulated amortisation				
Balance at 1 January 2020	-	102	31	133
Amortisation	-	145	4	149
Balance at 1 January 2021	-	247	35	282
Amortisation	-	211	4	215
Balance at 31 December 2021	-	458	39	497
Net Book Value				
At 31 December 2021	9,610	1,018	82	10,710
At 31 December 2020	9,610	1,229	-	10,839
At 31 December 2019	9,492	752	4	10,248

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 2021 £'000	31 December 2020 £'000
Digitalbox Publishing (Holdings) Limited	9,171	9,171
Mashed Productions Limited	321	321
Tab Media Limited	118	118
	9,610	9,610

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, due to the goodwill 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. It is considered that any reasonably possible changes in the key assumptions would not result in an impairment of the present carrying value of the goodwill.

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 7% 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 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.

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 the prior year, which continues to benefit from cash inflows through Mashed Productions. The recoverable amount has been determined from a review of the current and anticipated performance of this unit. In preparing this projection, a discount rate of 7% 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 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.

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 7% 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 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.

15. TRADE AND OTHER RECEIVABLES

	31 December 2021 £'000	31 December 2020 £'000
Trade receivables	1,428	758
Prepayments and accrued income	104	42
Other receivables	238	247
	1,770	1,047

16. CASH AND CASH EQUIVALENTS

	31 December 2021 £'000	31 December 2020 £'000
Cash at bank and in hand	2,186	1,853
	2,186	1,853

17. LIABILITIES

	31 December 2021 £'000	31 December 2020 £'000
Current liabilities		
Trade payables	86	84
Social security and other taxes	144	209
Accruals	508	146
Lease liabilities	29	2
Other payables	1	10
Bank loans	112	25
Corporation tax payable	163	51
	1,043	527
Non-current liabilities		
Lease liabilities	2	-
Bank loans	319	465
	321	465

18. LOANS

	31 December 2021 £'000	31 December 2020 £'000
Bank loans		
Due in less than one year	112	25
Due in between one and two years	122	122
Due in between two and five years	197	343
	431	490

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 2021 was £431k (2020: £440k).

Tab Media Limited had an outstanding loan amounting to £50k at 31 December 2020. This loan was repaid in full during the year.

19. DEFERRED TAX

	Total £'000
Balance at 1 January 2021	232
Deferred tax charge for the year	43
Balance at 31 December 2021	275

The deferred tax provision comprises:	31 December 2021 £'000	31 December 2020 £'000
Intangible asset timing differences	275	232
	275	232

The expected net reversal of deferred tax in 2022 is £53k.

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 2021 £'000	**31 December 2020 £'000**
Current financial assets		
Trade receivables	1,428	758
Other receivables	238	247
Cash and cash equivalents	2,186	1,853
	3,852	2,858

The table below illustrates the due date of trade receivables:

	31 December 2021 £'000	**31 December 2020 £'000**
Current	577	278
31 – 60 days	421	265
61 – 90 days	267	202
91 – 120 days	126	10
121 and over	37	3
	1,428	758

The table below illustrates the geographical location of trade receivables:

	31 December 2021 £'000	**31 December 2020 £'000**
United Kingdom	921	475
Europe	141	180
Rest of world	366	103
	1,428	758

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 provision against trade debtors of £28k (2020: £21k).

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 2021 £'000	**31 December 2020 £'000**
At the year end the Group had the following cash balances:	2,186	1,853

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 2021 £'000	**31 December 2020 £'000**
Financial liabilities at amortised cost		
Trade payables	86	84
Accruals	508	147
Lease liabilities	31	2
Bank loans	431	490
Other payables	1	10
	1,057	733

The table below illustrates the maturities of trade payables:

	31 December 2021 £'000	**31 December 2020 £'000**
Current	45	69
31 – 60 days	28	5
61 – 90 days	12	-
91 – 120 days	-	-
121 and over	1	10
	86	84

The table below shows the maturities of financial liabilities:

2021	Carrying amount £'000	6 months or less £'000	6-12 months £'000	1 or more year £'000
Trade payables	86	85	1	-
Accruals	508	508	-	-
Lease liabilities	31	14	15	2
Loans	431	56	56	319
Other payables	1	1	-	-
	1,057	664	72	321

2020	Carrying amount £'000	6 months or less £'000	6-12 months £'000	1 or more year £'000
Trade payables	84	84	-	-
Accruals	147	142	5	-
Lease liabilities	2	2	-	-
Loans	490	-	25	465
Other payables	10	10	-	-
	733	238	30	465

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 US based subsidiary, Digitalbox Inc. The general policy for the Group is to sell to customers in the same currency that services or goods are purchased in, reducing the transactional risk.

21. SHARE CAPITAL

	No. 31 December 2021	Value £'000	No. 31 December 2020	Value £'000
Called up share capital Allotted, called up and fully paid				
Ordinary shares of £0.01 each	116,332,457	1,163	116,332,457	1,163
	116,332,457	1,163	116,332,457	1,163

22. SHARE BASED PAYMENTS

During the year, the Group incurred a £143k share based payment charge (2020: £140k). Of this total, £100k (2020: £101k) was recorded as an expense in Digitalbox plc and £43k (2020: £39k) was recorded as an expense in Digitalbox Publishing Limited.

	2021 No. of share options	Weighted average exercise price	2020 No. of share options	Weighted average exercise price
Outstanding at beginning of year	8,298,757	8.19p	8,298,757	9.94p
Granted during the year	1,002,906	6.00p	2,005,812	6.75p
Cancelled during the year	-	-	(2,005,812)	14.00p
Expired during the year	(160,000)	20.00p	-	-
Outstanding at the end of the year	9,141,663	7.74p	8,298,757	8.19p

169,285 options relate to Warrants and are exercisable 1 year after admission.
6,017,526 options are exercisable after 3 years, or an exit event.
2,954,852 options relate 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.

For those options granted during the year where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	Risk free rate	Share price volatility	Share price at date of grant
24 February 2021	0.10%	65.00%	6.00p

Expected volatility was determined by calculating the historical volatility of the Company's share price for 12 months prior to the date of grant. The expected life used in the model is the term of the options.

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. LEASING COMMITMENTS

Group as a lessee

The Group leasing arrangements for their head office.

Lease liabilities are due as follows:

	31 December 2021 £'000	**31 December 2020 £'000**
Current	29	2
Non-current	2	-
	31	2

Contractual undiscounted cash flows are due as follows:

	31 December 2021 £'000	31 December 2020 £'000
Current	30	2
Non-current	3	-
	33	2

There is not considered to be any significant liquidity risk by the Group in respect of leases.

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

	31 December 2021 £'000	31 December 2020 £'000
Interest expense on lease liabilities	2	1
Expenses relating to short-term leases	29	24
	31	25

25. CAPITAL COMMITMENTS

At 31 December 2021 and 31 December 2020 there were no capital commitments.

26. RELATED PARTY TRANSACTIONS

At 31 December 2021, the Group was due £171k (2020: £171k) from James Carter and Jim Douglas, two Directors of the company. Prior to the readmission of Digitalbox plc (formerly Polemos plc) onto AIM, and its subsequent acquisition of Digitalbox Publishing Holdings Ltd, James Carter and Jim Douglas each bought shares in Digitalbox Publishing Holdings Ltd using a company loan. The outstanding balance is split equally between the directors and is included within trade and other receivables. The amounts are repayable either on sale of shares by the Directors, by prior charge over the proceeds of dividends or distributions due to the directors' net of tax or by prior charge over remuneration payments in excess of a pre-determined level. Interest is charged at 0.75% per annum. The Directors have chosen to use the entirety of their 2021 bonus payments to pay off the loans in full which results in a positive cash return to the balance sheet.

During the year, Integral 2 Limited billed £53k (2020: £57k) 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 2021, £5k (2020: £5k) was owed to Integral 2 Limited.

During the year, the Group received revenue of £nil (2020: £1.5k) from Immotion Group Plc, a company related by virtue of Martin Higginson being a member of key management personnel of both entities. As at 31 December 2021, £nil (2020: £nil) was owed to the Group.

During the year, M Capital Investment Partners (Holdings) Limited billed £23k (2020: £25k) to the Group, a company related by virtue of Martin Higginson, a member of key management personnel, having control over the entity. The Group accrued a further £2.0k for unbilled costs as at 31 December 2021 (2020:Nil). As at 31 December 2021, £2.5k (2020: £2.5k), was owed to M Capital Investment Partners (Holdings) Limited.

During the year, Robin Miller Consultants Limited billed £11k (2020: £17k) to the Group, a company related by virtue of Robin Miller, a member of key management personnel for part of the year, having control over the entity. As at 31 December 2021, £1.7k (2020: £1.7k), was owed to Robin Miller Consultants Limited. The balances stated here were for transactions up to the point that Robin Miller 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 £715k in the year ended 31 December 2021 (2020: £382k).

The key management personnel have been provided with a total of 5,963,660 share options resulting in a charge of £100k in the period (2020: £100k).

27. POST BALANCE SHEET EVENT

On 16 February 2022, Martin Higginson exercised his warrants over 7,085 shares in Digitalbox Publishing (Holdings) Limited which were satisfied by the issuance of 1,590,936 shares in Digitalbox plc in accordance with a Warrant Acquisition Agreement dated 7 February 2019 under which Digitalbox plc acquires all such warrant shares. Accordingly, Digitalbox plc's issued share capital increased to 117,923,393 shares. The consideration received by the company amounted to £36,275.

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

		At 31 December 2021 £'000	At 31 December 2020 As restated £'000
Fixed assets			
Investments	III	11,127	11,084
		11,127	11,084
Current assets			
Trade and other receivables	IV	1,747	1,244
Cash and cash equivalents	V	20	99
		1,767	1,343
Current liabilities			
Trade and other payables	VI	(467)	(68)
Total current liabilities		(467)	(68)
Non-current liabilities			
Other payables		-	-
Total liabilities		(467)	(68)
Net current assets/(liabilities)		1,300	1,275
Total assets less total liabilities		12,427	12,359
Capital and reserves			
Called up share capital	VII	1,163	1,163
Share premium account	IX	11,149	11,149
Share-based payment reserve	IX	464	321
Retained reserves	IX	(349)	(274)
Shareholders' funds		12,427	12,359

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 loss for the year included a loss on ordinary activities after tax of £75k (2020: £135k loss as restated) in respect of the Company which is dealt with in the financial statements of the Parent Company.

The financial statements were approved by the Board and authorised for issue on 28 March 2022.

James Carter
CEO

David Joseph
CFO

Company registration number: 04606754

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital £'000	Share Premium £'000	Share-based payment £'000	Retained reserves £'000	Total £'000
Balance at 1 January 2020	21,331	29,757	181	(40,122)	11,147
Prior year adjustment	-	-	-	55	55
Balance at 1 January 2020 as restated	21,331	29,757	181	(40,067)	11,202
Issue of shares	260	976	-	-	1,236
Share issue costs	-	(84)	-	-	(84)
Capital reduction	(20,428)	(19,500)	-	39,928	-
Loss after tax (restated)	-	-	-	(135)	(135)
Share-based payments	-	-	140	-	140
31 December 2020 as restated	1,163	11,149	321	(274)	12,359
Loss after tax	-	-	-	(75)	(75)
Share-based payments	-	-	143	-	143
31 December 2021	1,163	11,149	464	(349)	12,427

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 B67of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment and (iii) paragraph 118 (e) of IAS 38 Intangibles Assets
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group 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 (2020: 6) and total staff costs were £815k (2020: £382k). Directors remuneration is disclosed in note 9 to the consolidated financial statements.

The operating loss in the prior year is stated after charging an impairment loss on the investment in Mashed Productions Limited amounting to £238k. This impairment loss is reflective of the receipt of dividend income from this subsidiary amounting to £238k, which was subsequently dissolved on 10 March 2020 following an earlier hive across of trade to Digitalbox Publishing Limited. The impairment arose owing to the realisation of the distributable reserves, and these two transactions have had a net £nil effect on the result for the prior year. These transactions had no effect on the operating profit in the current year.

III. FIXED ASSET INVESTMENTS

	31 December 2021 £'000
Subsidiary undertakings	
Cost	
Balance at 1 January 2021	11,228
Prior year adjustment	94
Balance at 1 January 2021 as restated	11,322
Additions	43
Disposals	-
Balance at 31 December 2021	11,365
Provisions	
Balance at 1 January 2021	238
Charge for the year	-
Balance at 31 December 2021	238
Carrying value of investments	11,127

The investment addition relates to equity settled share based payments issued to employees of the company's subsidiary, Digitalbox Publishing Limited, as disclosed in Note 22 to the consolidated financial statements.

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	2-4 Henry Street, Bath, BA1 1JT
Digitalbox Inc	Ordinary	100% Direct	19 Courtland Drive, Hudson, MA 01749
Digitalbox Publishing (Holdings) Limited	Ordinary	100% Direct	2-4 Henry Street, Bath, BA1 1JT
Tab Media Limited	Ordinary	100% Indirect	Jubilee House, 92 Lincoln Road, Peterborough, PE1 2SN

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

IV. RECEIVABLES: due within one year

	31 December 2021 £'000	31 December 2020 £'000
Amounts owed by group undertakings	1,636	1,213
Other receivables	-	10
Prepayments and accrued income	52	21
	1,688	1,244

V. CASH AND CASH EQUIVALENTS

	31 December 2021 £'000	31 December 2020 £'000
Cash at bank and in hand	20	99
	20	99

VI. PAYABLES: amounts falling due within one year

	31 December 2021 £'000	1 December 2020 £'000
Trade payables	29	5
Accruals	403	38
Corporation tax payable	18	-
Other tax and social security	16	16
Other payables	1	9
	467	68

VII. SHARE CAPITAL

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

VIII. SHARE OPTIONS

Share Option Scheme

Details of the share options outstanding at 31 December 2021 can be found in Note 22 to the consolidated financial statements.

IX. RESERVES

Details of the reserves can be found in Note 23 to the Consolidated financial statements.

X. RELATED PARTY TRANSACTIONS

Details of the Company’s related party transactions can be found in Note 26 to the consolidated financial statements.

XI. PRIOR PERIOD ADJUSTMENT

Certain employees of the company's subsidiary, Digitalbox Publishing Limited, have been granted rights to equity instruments in the company in consideration for services provided to its subsidiary. The associated share based payment charge has been recorded in the financial statements of the company, but instead should have been recorded as an expense in the subsidiary's financial statements.

As a result, at 1 January 2020 the investment in the subsidiary has been increased by £55k by increasing retained earnings by the same amount. The loss for the year ended 31 December 2020 has decreased by £39k, with a corresponding increase in the investment in the subsidiary.

The consolidated financial statements and accordingly earnings per share are unaffected by this error and the associated correction. The impact on the financial statements is analysed below.

XI. PRIOR PERIOD ADJUSTMENT (continued)

	At 1 January 2020			At 31 December 2020		
	Previously reported £'000	Prior year adjustment £'000	As restated £'000	Previously reported £'000	Prior year adjustment £'000	As restated £'000
Fixed assets						
Investments	11,192	55	11,247	10,990	94	11,084
Current assets						
Trade and other receivables	155	-	155	1,244	-	1,244
Cash and cash equivalents	22	-	22	99	-	99
	1,343	-	1,343	1,343	-	1,343
Current liabilities						
Trade and other payables	(214)	-	(214)	(68)	-	(68)
Total current liabilities	(214)	-	(214)	(68)	-	(68)

	At 1 January 2020			A 31 December 2020		
	Previously reported £'000	Prior year adjustment £'000	As restated £'000	Previously reported £'000	Prior year adjustment £'000	As restated £'000
Non-current liabilities						
Other payables	(8)	-	(8)	-	-	-
Total liabilities	(222)	-	(222)	(68)	-	(68)
Net current assets/(liabilities)	(37)	-	(37)	1,275	-	1,275
Total assets less total liabilities	11,147	55	11,202	12,265	94	12,359
Capital and reserves						
Called up share capital	21,331	-	21,331	1,163	-	1,163
Share premium account	29,757	-	29,757	11,149	-	11,149
Share-based payment reserve	181	-	181	321	-	321
Retained reserves	(40,122)	55	(40,067)	(368)	94	(274)
Shareholders' funds	11,147	55	11,202	12,265	94	12,359