LBG MEDIA PLC

ANNUAL REPORT AND ACCOUNTS 2023

A MULTI-BRAND MULTI-CHANNEL DIGITAL ENTERTAINMENT BUSINESS WITH A HUGE GLOBAL AUDIENCE

CONTENTS

A YEAR OF PROGRESS

BETCHES

ACQUISITION OF MEDIA BRAND BETCHES

452m

GLOBAL AUDIENCE ACROSS OUR PLATFORMS (2022: 366M)

128bn

TOTAL VIDEO VIEWS (2022: 98BN)

Revenue (£)

67.5m

↑ 7.5%

2023	£67.5m
2022	£62.8m

- Revenue growth of 7.5% (2022: 15.2%) year on year to £67.5m (2022: £62.8m). Excluding Betches the underlying organic growth is 4%.
- Positive revenue momentum highlights strength in our diversified income streams.

Adjusted EBITDA (£)

17.4m

↑ 10.8%

2023	£17.4m
2022	£15.7m

- Adjusted EBITDA of £17.4m (2022: £15.7m), showing 10.8% growth (2022: 6.4% decline) on the prior year despite a drag on profitability from challenges in the ANZ region.

Profit before tax (£)

5.9m

↓ 18.9%

2023	£5.9m
2022	£7.3m

- Profit before tax of £5.9m (2022: £7.3m) after adjusting items of £3.7m (2022: £2.2m), down 18.9% on prior year (2022: down 9.9%).

Cash (£)

15.8m

↓ 46.0%

2023	£15.8m
2022	£29.3m

- Closing cash of £15.8m (2022: £29.3m) is down 46.0% on prior year (2022: down 14.8%) after the acquisition of Betches Media, LLC for an initial cash outflow of £17.6m.
- Cash generated from operations in the year of £10.1m (2022: £1.3m).

OUR PURPOSE

IS TO GIVE **YOUNG ADULTS** A VOICE BY BUILDING COMMUNITIES THAT **LAUGH, THINK** AND **ACT**

ONE OF THE LARGEST AND MOST ENGAGED PUBLISHERS ON SOCIAL MEDIA OF ALL TIME

Source: Tubular, 16.3.24

+1bn
GLOBAL REACH

Source: Creator Studio, 20.3.24

128bn
VIEWS IN 2023

Source: Platform count

We are the world's **all-time most viewed** and engaged publisher on Facebook (Tubular, 17.1.24)

We are one of the **biggest UK publishers** on TikTok with 58m TikTok followers (TikTok)*

27 Snapchat shows globally with 9.5m unique viewers (Snapchat)

Our websites are visited by 37% of all adults in the UK. There is an average of 72.5m unique web users globally (Google Analytics, 10.1.24)

2.4bn all time Instagram engagements (Tubular, 16.1.24)

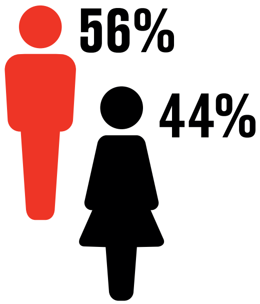
19m hours of watch time on YouTube (YouTube Studio, 18.1.24)

* Including Pubity and Memezar TikTok pages.

OUR KEY AUDIENCES

WE HAVE A GLOBAL AUDIENCE

AUDIENCE BY GENDER:



MORE GEN Z WATCH OUR CONTENT THAN ANY OF OUR COMPETITORS

452m

GLOBAL AUDIENCE
in 2023

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OUR BRANDS

CLICK THE LOGOS TO FIND OUT MORE ONLINE >

UNILAD
UNILAD TECH
BETCHES
LAD BIBLE
SPORT BIBLE
LAD BIBLE AUSTRALIA
Furry Tails
Tyla
lessons learned in life.
ODDS BIBLE
GAMING BIBLE
FOOD BIBLE
LAD BIBLE IRELAND
UNILAD ADVENTURE
UNILAD SOUND

LBG MEDIA IS A GLOBAL DIGITAL ENTERTAINMENT BUSINESS

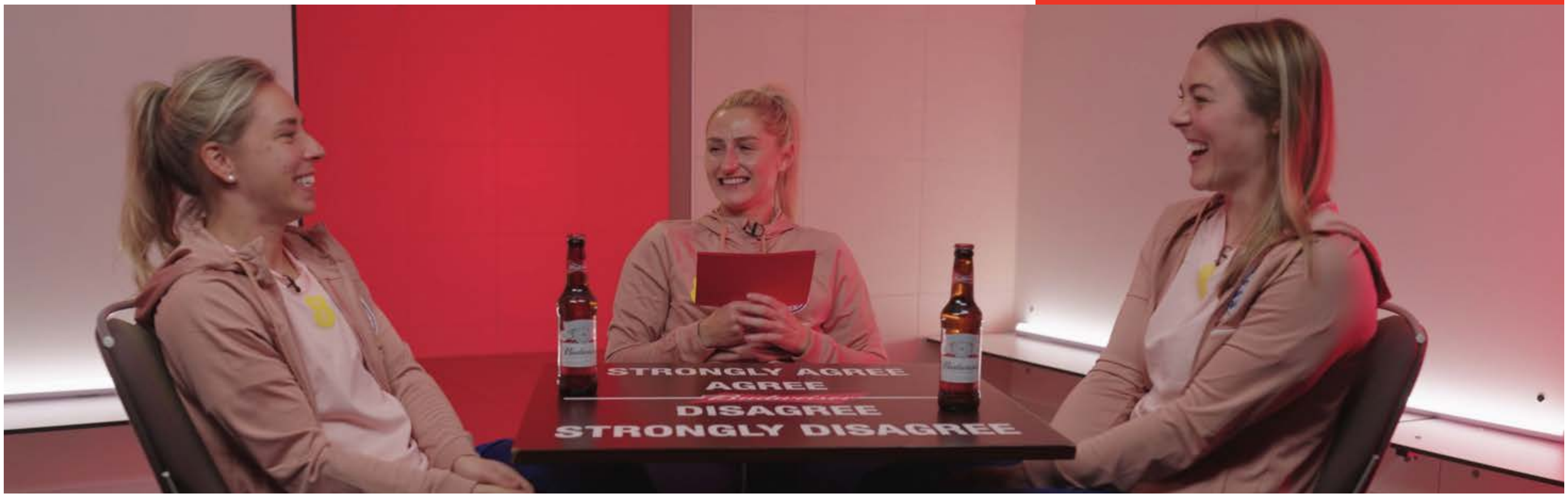
LBG Media is a global digital entertainment business with a focus on young adults and our mission is to give the young adult generation a voice by building communities that laugh, think and act. We operate in the largest and fastest growing sector of the advertising market and our digital media capabilities across our core routes to market, along with our rapidly expanding global audience and reach, are unmatched. We have a growing collection of 15 brands, with deep-rooted levels of recognition, and it is through these brands that we generate market-leading levels of user engagement.

The combination of;

- a rapidly expanding digital advertising market;
- our focused expansion in the US;
- unparalleled levels of engagement and insight; and
- a highly diversified revenue model and strong levels of cash generation;

place LBG Media in an extremely strong position as we continue to build our entertainment powerhouse for young adults.

WE GENERATE MARKET LEADING LEVELS OF USER ENGAGEMENT



Rapidly expanding digital advertising market

LBG Media operates within the digital advertising market, which was worth over $617bn in 2023 out of a total market size of $889bn. Digital represented around a third of the total advertising market when the business was founded, and it now represents around 70% of advertising spend worldwide and is continuing to grow. Digital is the fastest growing segment within the advertising market and whilst the broader market grew at around 5.8% in 2023, digital grew at 9.2%[1].

More information can be found in the Market Overview section on page 14.

Betches and US expansion

In October 2023, the Group completed the acquisition of Betches Media, LLC ('Betches'). This marked a significant milestone and step forward for the Group, materially expanding our reach and footprint in the US, the world's largest advertising market. With Betches' focus on millennial and Gen Z female audiences it is a highly complementary business. The combination provides the foundation from which we can build our market share in the US, where the opportunity is substantial. More information on the acquisition can be found on page 19.

Unparalleled levels of engagement and insight

We have consistently delivered significant multiplatform audience growth, establishing ourselves as one of the largest publishers for young adults in the world. In 2023, our global audience grew by 24% to 452m, and our video views grew by 31% to 128bn, which is fifteen times the global population. We are the most viewed and engaged publisher of all time on Facebook, with famous brands loved by young adults. Our real-time insights enable us to continuously tailor our content across all our channels to ensure it is relevant and highly engaging to our audience.

Highly diversified revenue model and strong cash generation

We have a highly diversified revenue model across our Direct and Indirect routes to market.

Direct revenue is where we have a direct relationship with the advertiser. This accounted for 43% of revenue in 2023 and involves LBG Media creating bespoke, original content for branded partners who want to reach our substantial audience of young adults. We continue to build deeper relationships with significant blue-chip brands and advertisers, and in doing so, continue to take market share from the likes of TV, radio and print advertising.

Indirect is where we have an indirect relationship with the advertiser. This accounted for 55% of revenue in 2023 and is where revenue is generated via a third party, such as a social media platform, or via a programmatic advertising partner. Platform algorithms deliver adverts for brands, alongside appropriate content, to reach the desired audience and revenue is then shared between the platform and publisher.

In the case of both revenue channels, our audience and reach put us in an extremely strong position and the diversity provides stability and multiple opportunities for future growth.

Our asset light business model is highly scalable and highly cash generative. In 2023, our cash conversion rate was 76%. High levels of cash generation provide the Group with the ability to reinvest for organic growth and deploy for the purposes of M&A, which is one of our key strategic objectives. Further information on our strategic objectives can be found on page 18.

1 Source: GroupM, 'This Year, Next Year', Global 2023 End-of-Year Forecast.

STRATEGIC REPORT

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Looking back at 2023, the quality of our colleagues has shone through significantly in what has been a difficult year for the global entertainment and digital advertising markets.

It is a testament to our people that we have faced the challenges head on and delivered a good financial performance, continued our growth and made strategic progress. Our ability to generate extraordinary content that resonates with over 450m people globally is the most significant reflection of the quality of our people and the leadership of our management teams.

The loyalty of our clients is also replicated by our other stakeholders, including our shareholders, who continue to support the business and the vision of the executive team. Their belief in our operations, model, and ability to effectively engage with our social and digital following is something that the Board and I are really thankful for.

IT'S BEEN ANOTHER YEAR OF PROGRESS AND GLOBAL EXPANSION

DAVE WILSON – CHAIR

Progress achieved in 2023

Our ongoing financial momentum is reflected in revenue and adjusted EBITDA growth of 7.5% and 10.8% respectively, supported by the acquisition of Betches that has turbocharged our position in the world's largest advertising market, the US, and strengthened our senior leadership team with the addition of its three co-founders. In addition, the successful changes to our operating model in ANZ demonstrate the flexibility of our business model.

Betches was a step-change acquisition and one which represents meaningful progress against our three strategic pillars. With its focus on US-based millennial and Gen Z female audiences, it materially expands our footprint in the US and appeal to global brands. The deal brings major new clients to the portfolio, unlocks new capabilities and, with a significant portion of Betches's revenue being long-term recurring direct partnerships, strengthens that income stream. We're already seeing positive results with joint pitch wins for brands such as White Castle, Mars and Peacock. The founders of Betches are brilliant leaders and share in our vision and outlook. I speak for everyone when I say we are thoroughly excited by what the future holds.

Another important step taken by the business in the year was the way it carried out a strategic review of reducing profitability in ANZ and took considerate but prompt action to implement a new operating model. The changes, which completed in Q4, reflect a new, low-risk model and sees us partner with Val Morgan Digital, the largest online media publisher in Australia, who will represent our brand through a strategic five-year commercial partnership for the delivery of direct revenue. The changes also saw us centralise our social and web operations into our UK centre of excellence, providing a more efficient cost base for indirect revenue from the region. The steps were critical in ensuring we deploy our resources optimally while maintaining a foundation for sustainable growth, and the learnings represent a blueprint for opportunities in other regions.

While operating through challenging market conditions, our cash generative nature is a significant strength and we maintained a £15.8m cash position at year-end. This enables us to rapidly deploy capital into new growth initiatives as they arise, both organically and inorganically, and our ambition in that regard remains undiminished.

Social responsibility and governance

Our position as a socially responsible organisation is founded on our ability to engage with our audience, giving them a voice by building communities that laugh, think and act. This is a fundamental enabler of our success, and we will stay true to these core values in the years ahead.

Board and management changes

During the year, Arian Kalantari stepped down from the Board and I would like to thank him for his contribution to LBG Media. With our excellent team, we are grateful that his operational responsibilities have been seamlessly distributed to the newly formed senior leadership team.

Tim Croston notified the Board of his intention to retire from a full-time executive role and he formally stood down from the Board on 12 April 2023, with Richard Jarvis joining the Board as CFO on 12 April 2023. I'd also like to welcome Aleen Dreksler, Jordana Abraham and Samantha Sage, the Betches co-founders, to the senior leadership team. We believe there is a very strong cultural fit between the businesses and the strength of the combined leadership across the organisations is already bearing early fruit.

At all levels of our business, the creative culture and talent is as strong as it has ever been, and all 446 people bring unique perspective. A combination of skills, ambition and focus on our strategic pillars will continue to provide the fuel for our growth in the coming years.

Outlook

Our global digital entertainment business, which is focused on young adults and operates in the biggest and fastest growing sectors of the advertising market, presents a unique and highly differentiated proposition. We have an audience that is growing at scale, and our brand recognition is deep-rooted within our communities and drives our market-leading user engagement. The insight and analysis we can provide our brands and partners is unmatched and is a direct result of the profound understanding we have of our audience. The combination of these factors provides the business a competitive edge, and our diversified revenue model, with robust margins and high cash conversion, is a significant attraction for investors.

The acquisition of Betches, combined with our existing footprint in the US, has put LBG Media in a strong position to progress in the US market, where the opportunity is substantial. Betches' highly complementary capabilities means we finished 2023 with an even more diverse offering, and the Board remains confident in the Group's ability to capitalise on the growing market in digital advertising and create significant value for shareholders in the years ahead.

Dave Wilson
Chair
22 April 2024

2023 was another year of progress for LBG Media. Our global audience increased to 452m, our video views reached a record 128bn, we continued with our US expansion with the step-change acquisition of Betches and we demonstrated flexibility in our operating model with the positive changes we made in Australia and New Zealand.

Our market leading engagement and growth in global audience makes us even more attractive for brands and agencies seeking to reach our highly engaged young adult audience. The combination of our existing footprint in the US, and the addition of Betches, provides us with an excellent foundation from which to build market share in the largest advertising market in the world; and we are already seeing the benefits, with multiple joint blue-chip account wins.

LBG Media has evolved into a global entertainment platform, able to create content that is engaging and resonates with hundreds of millions of people through a range of media. Our talent and dedication to our core mission, which is to give young adults a voice by building communities that laugh, think and act, ensures we remain true to our purpose and fuels our growth.

MOVING FORWARD

SOLLY SOLOMOU – CHIEF EXECUTIVE OFFICER

REVENUE

£67.5m

2022: £62.8m

ADJUSTED EBITDA

£17.4m

2022: £15.7m

PROFIT BEFORE TAX

£5.9m

2022: £7.3m

HIGHLIGHT VIDEO >

Market

The global advertising market continued to grow in 2023 and is now valued at $889bn, with digital representing nearly 70% of that total, despite well documented macroeconomic headwinds. Digital continues to outstrip traditional forms of advertising, rising by 9.2% in 2023. The Group's pace of adoption and innovation with changing forms of content, such as the shift to short-form video in the second half of 2022, continue to align us with some of the fastest and highest growth areas. We are well placed to experiment and take advantage of the opportunities that technologies such as AI present and which can benefit the industry. We estimate that across our core geographies, which have significant levels of advertising spend, the opportunity for the Group is substantial and, with our progression in the US market, we are well positioned for future growth.

Financial performance

The Group achieved 7.5% revenue growth in the year to £67.5m (FY22: £62.8m). Adjusted EBITDA increased by 10.8% to £17.4m (FY22: £15.7m). £0.1m of adjusted EBITDA was generated by Betches. This growth was understandably impacted by the reduction in the year-on-year profit contribution from ANZ, which is why we took decisive action in the fourth quarter of the year to address this underperformance and implement a more effective operating model. We incurred a total of £3.7m of costs which were adjusting items this year, the majority of which relate to the combination of our acquisition activities along with restructuring costs in ANZ and, as a result, profit before tax was reduced at £5.9m (FY22: £7.3m).

Our advertiser relationships continue to grow, with direct revenue increasing to £29.3m (FY22: £27.8m). This includes £2.1m of direct revenue contribution from Betches, partially offset by the impact from a year-on-year decline within our ANZ operations. During the year, the Group supported and partnered with a growing list of global brands including The AA, Disney, Jacamo, Ladbrokes, Nike, NOW, Samsung, Sky Betting & Gaming, VOXI by Vodafone and Warner Bros. Our brief conversion continued to improve in the year, reinforcing the strength of our proposition and quality of our execution, something that is further evidenced by our repeat client revenue – three-quarters of direct revenue achieved in the year came from clients who have worked with us in the prior two years.

Indirect revenue in the year was up 10.4% to £37.1m (FY22: £33.6m) achieved via a combination of an increase in monetised views on social media platforms, as well as good growth from our owned and operated websites. We continue to realise positive benefits within indirect from our investment in people and technology, with web and social providing diversification and multiple channels for growth. It is worth noting that indirect revenue was also impacted by weaker performance in ANZ and the strong outturn comes despite these challenges.

HIGHLIGHT VIDEO >

Strategic progress

Key areas of progress in the year are summarised below:

- **Betches:** The acquisition of Betches in October 2023 was a significant milestone for the Group. The combined business now has a significantly enlarged footprint and set of capabilities in the US, a market which forms a core part of our growth ambitions. Integration between the businesses has been progressing well and with its high-quality financial profile, the addition of several new capabilities to the Group, including podcasts and newsletters, and an excellent team, we remain thoroughly excited by the opportunities ahead.

- **ANZ operating model:** In response to revenue and profitability challenges experienced in the region, in Q4 2023 we announced a new and more efficient operating model, effective from January 2024. This involved the centralisation of social and web operations into our UK centre of excellence at a more efficient cost base for indirect revenue, whilst we also leveraged a new five-year strategic partnership model with the largest online media publisher in Australia, Val Morgan Digital, for the delivery of direct revenue. The changes unfortunately necessitated a number of redundancies in the region, but that exercise was undertaken with the utmost care and professionalism, including being able to transfer a number of the team to Val Morgan Digital. Moving into 2024, the new model provides a foundation for sustainable growth in the region, as well as a potential partnership blueprint that we could look to adopt in new regions around the world.

- **Bolt-on acquisitions:** We have continued with the strategy of acquiring bolt-on social media pages, and during FY23 acquired the social and web assets of Lessons Learned in Life (LLIL) for £0.5m. For the right complementary assets, this is a proven and successful strategy with assets typically achieving payback in less than a year.

- **Manchester studio:** To enhance the Group's production capabilities, a high-quality new Manchester studio was opened in November 2023. This facility will enable the Group to produce more engaging, fresh, new content for publications across our social media pages and websites, as well as developing our podcast offering.

- **UNILAD Tech:** In November 2023, the Group launched the UNILAD Tech website. Leveraging the success of the UNILAD Tech social media pages, the new website provides the Group with the opportunity to further monetise its audience through programmatic advertising sales. The UNILAD Tech website becomes the Group's seventh active website and collectively, the Group's editorial websites reach over a third of UK adults each month, resulting in billions of page views annually.

DIGITAL MEDIA MARKET FORECAST TO GROW BY

7.3%

Social responsibility and recognition

We have always placed a great emphasis on having a positive impact by tackling complex social issues. During the year LBG Media was the official media partner for the Mayor of London's 'Have A Word' campaign, calling on men to challenge misogyny and we were also directly engaged by The Prince's Trust to carry out research into the careers of young adults.

We won multiple awards in the year for our excellent campaign work, most notably our Tango Berry Peachy campaign, which won four separate awards at Media Week, Digiday Content Marketing and Campaign Media. We have continued to partner with excellent brands to deliver high quality, engaging content that has driven strong audience engagement and this is reflected in both our growth in global audience and video views.

Board changes

Arian Kalantari resigned from the Board in July 2023. His operational responsibilities were distributed among colleagues and will now be permanently retained by those members of the Group's established and strong leadership team. I would like to thank Arian for his support over the years, both in the terms of the vital contribution to the founding of the business and the years of success that have been achieved since.

It has been a great pleasure to work side-by-side with my good friend and I wish him all the best and look forward to his continued support as a shareholder.

I would also like to thank Tim Croston for his hard work and dedication over the past few years as our CFO.

Clear line of sight to revenue opportunity

The operational and strategic progress that we made last year, combined with a strengthened senior leadership team, bringing a valuable range of experience, capabilities and disciplines into the business, places us in an excellent position to address the opportunities in front of us. The positive momentum in our direct and indirect businesses, as well as our expansion in the US, where the opportunity is substantial, provides a clear line of sight to achieving £200m of revenue. Underpinning this opportunity is our high levels of cash generation, giving the Group the ability to deploy capital to support our organic growth and acquisitions.

2023 was a year of good progress and has positioned the Group to continue to deliver profitable growth in the years ahead and we look forward to updating shareholders on our progress.

Solly Solomou
Chief Executive Officer
22 April 2024

FAST GROWING DIGITAL MEDIA MARKET

Global advertising market

We operate within the global advertising market, valued at $889bn in 2023. Despite the challenging macroeconomic environment of high interest rates and persistent inflation, combined with ongoing geopolitical conflict, the global advertising market has withstood this turbulence and continued to grow. At the close of 2023, market growth was estimated to be 5.8%, down marginally on the 6.5% growth seen in 2022, but demonstrating resilience in the face of a challenging macro picture.[1] 2024 growth in global advertising is expected to remain strong and the long-term outlook is also robust, with advertising spend poised to continue its upward trajectory.

Digital media market

We are a digital advertiser and operate in the biggest and fastest growing segment of the advertising market. Digital advertising spend amounted to over $617bn in 2023 and growth in digital media continues to outpace other, more traditional, segments of global advertising, with spend rising by 9.2% in 2023 and reaching another all-time high.[1] Digital currently accounts for around 70% of total advertising revenue worldwide and this figure is forecast to continue to grow over the coming years, reinforcing the size of the opportunity ahead of us.

Significant Target Addressable Market

Our target addressable market of $6bn reflects an estimated subset of that digital advertising market encompassing our core geographies, which have significant levels of advertising spend, our direct and indirect revenue channels and the demographic of our young adult audience.

The recent acquisition of Betches, and our further expansion into the US, continues to put us at the heart of some of the highest spending advertising markets globally. The US represents the largest advertising market in the world and the opportunity to expand our operations across both direct and indirect is substantial. The UK, another of our core markets, rose to being the third largest global advertising market in 2023 and recent positive changes to our operating model in Australia and New Zealand provide a solid foundation for growth in the region.[1]

With our ongoing organic growth, supported by our M&A ambitions, we believe the Group stands at an exciting juncture in its evolution. The size of our addressable market and expansion into the US gives us confidence in our line of sight to £200m of annual revenue.

2023 DIGITAL ADVERTISING SPEND

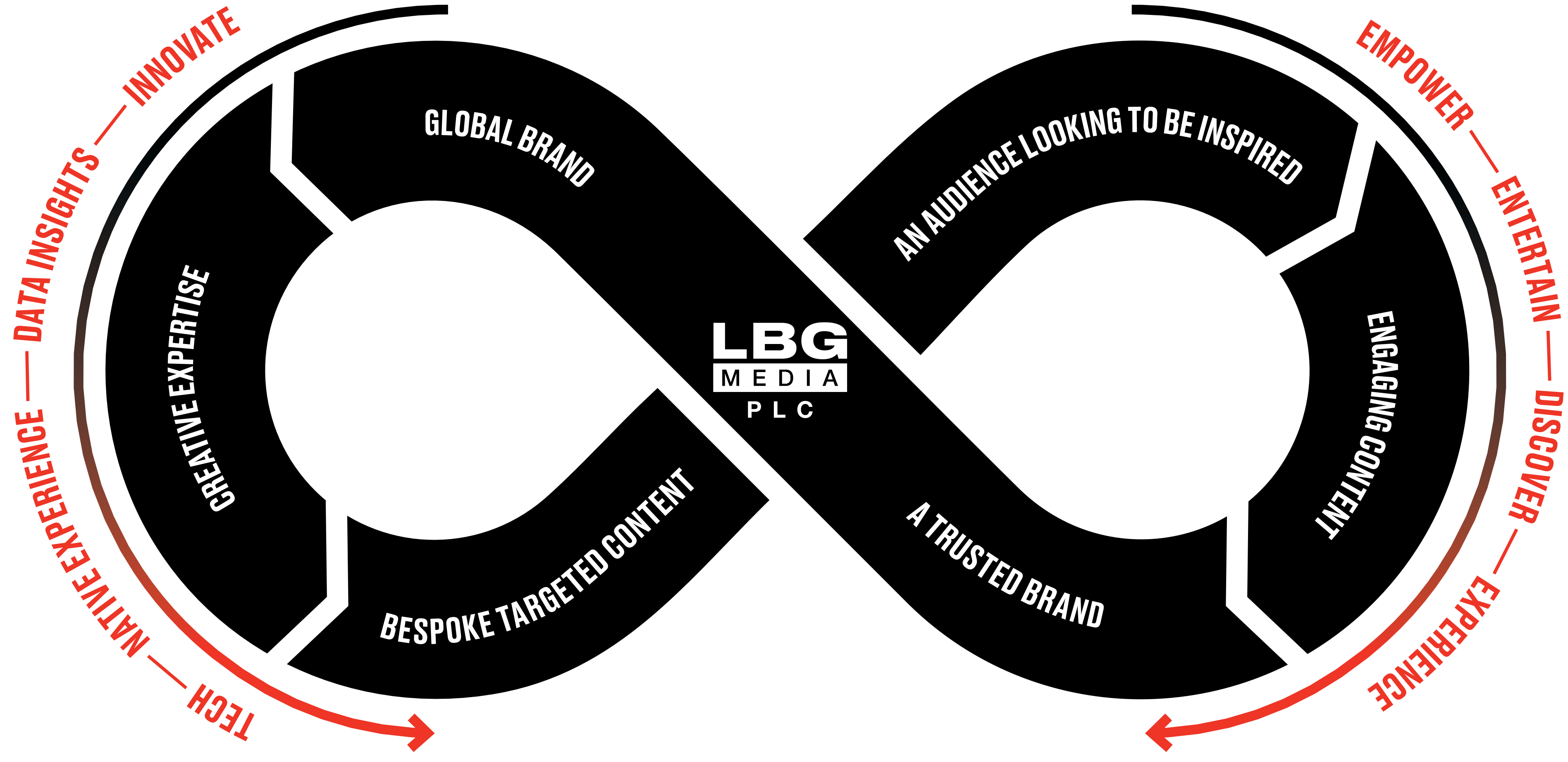
$617bn

2023 DIGITAL ADVERTISING GROWTH

9.2%

1 Source: GroupM, 'This Year, Next Year', Global 2023 End-of-Year Forecast.

WE CREATE A POSITIVE CYCLE OF AUDIENCE GROWTH, INSIGHTS AND TARGETED CONTENT



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WE GENERATE REVENUE BY PROVIDING BRANDS ACCESS TO OUR GLOBAL AUDIENCE

CUSTOMERS

BRAND OWNERS
REPEAT BUSINESS WITH A ROSTER OF WELL-ESTABLISHED GLOBAL BRANDS

MEDIA AGENCIES
WORKING WITH MAJOR MEDIA AGENCY GROUPS

ROUTES TO MARKET

DIRECT
BESPOKE FULL FUNNEL MARKETING

AWARENESS
INSPIRE

CONSIDERATION
INTRIGUE

PURCHASE
INTENT

INDIRECT
PROGRAMMATIC ADVERTISING

VIA SOCIAL MEDIA PLATFORMS

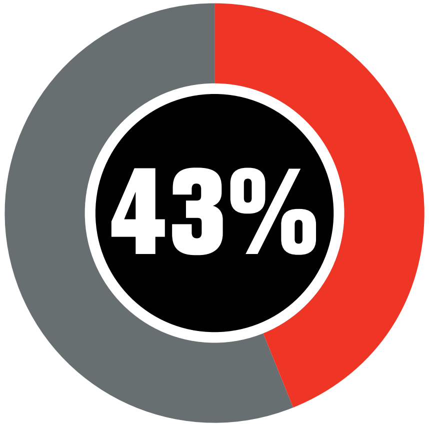
VIA AD EXCHANGES

iab. UK
Gold Standard Certified 2.0

REVENUE

DIVERSIFIED
REVENUE MODEL

DIRECT £29.3M
INDIRECT £37.1M
OTHER £1.1M



DIRECT

DESCRIPTION

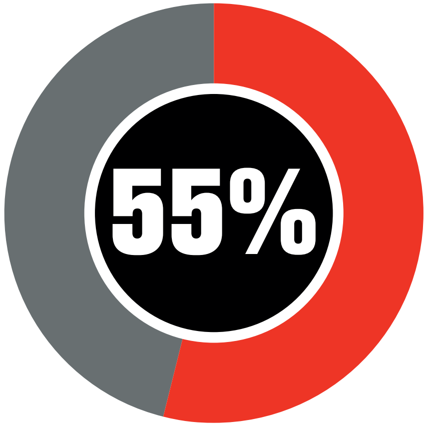
We provide content marketing services to media agencies and brand owners where we have a direct relationship with the advertiser.

INCLUDES

Branded content
Our in-house studio and creative team design and produce bespoke branded content solutions for our customers that is distributed to our audience via social media platforms, podcasts and newsletters.

Direct display and video
We sell website advertising space directly to our customers on a number of views (ad impressions) basis at an agreed price per 1,000 views.

Social agency
Management of social channels on behalf of brands.



INDIRECT

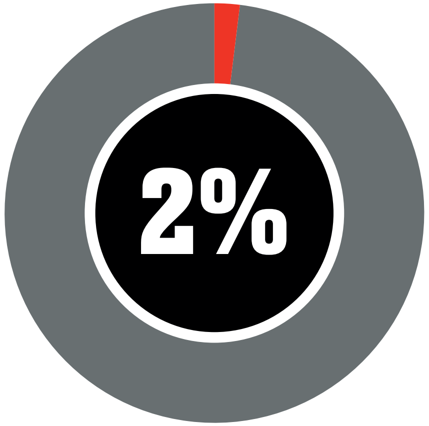
DESCRIPTION

We generate revenue on social platforms and our websites, where we indirectly engage with the end customer.

INCLUDES

Social video
We have revenue share arrangements with social platforms where advertising appears alongside our content.

Web programmatic
We use automated technology which brings together advertisers and publishers to facilitate the buying and selling of website advertising space on an auction basis.



OTHER

DESCRIPTION

This includes content licensing, subscription income, merchandise sales, affiliate revenue and events.

INCLUDES

Licensing
We license content to customers including television channels and other media publishers, either on a per clip or package basis.

STRATEGIC PILLARS

Our strategy for growth focuses on three key pillars, underpinned by organic growth. This is shown in the diagram below:

KEY STRATEGY EVENTS

On the subsequent pages we discuss the key strategic events in the year, being:

1. Acquisition of Betches
2. ANZ operating model
3. Bolt-on acquisitions
4. Manchester studio
5. UNILAD tech

KEY STRATEGIC EVENT: 1

BETCHES

G MA C

The acquisition of Betches Media, LLC ('Betches') in October 2023 was a step-change addition to the Group, and was in line with stated M&A ambitions, materially expanding our reach and footprint in the US, the world's largest advertising market.

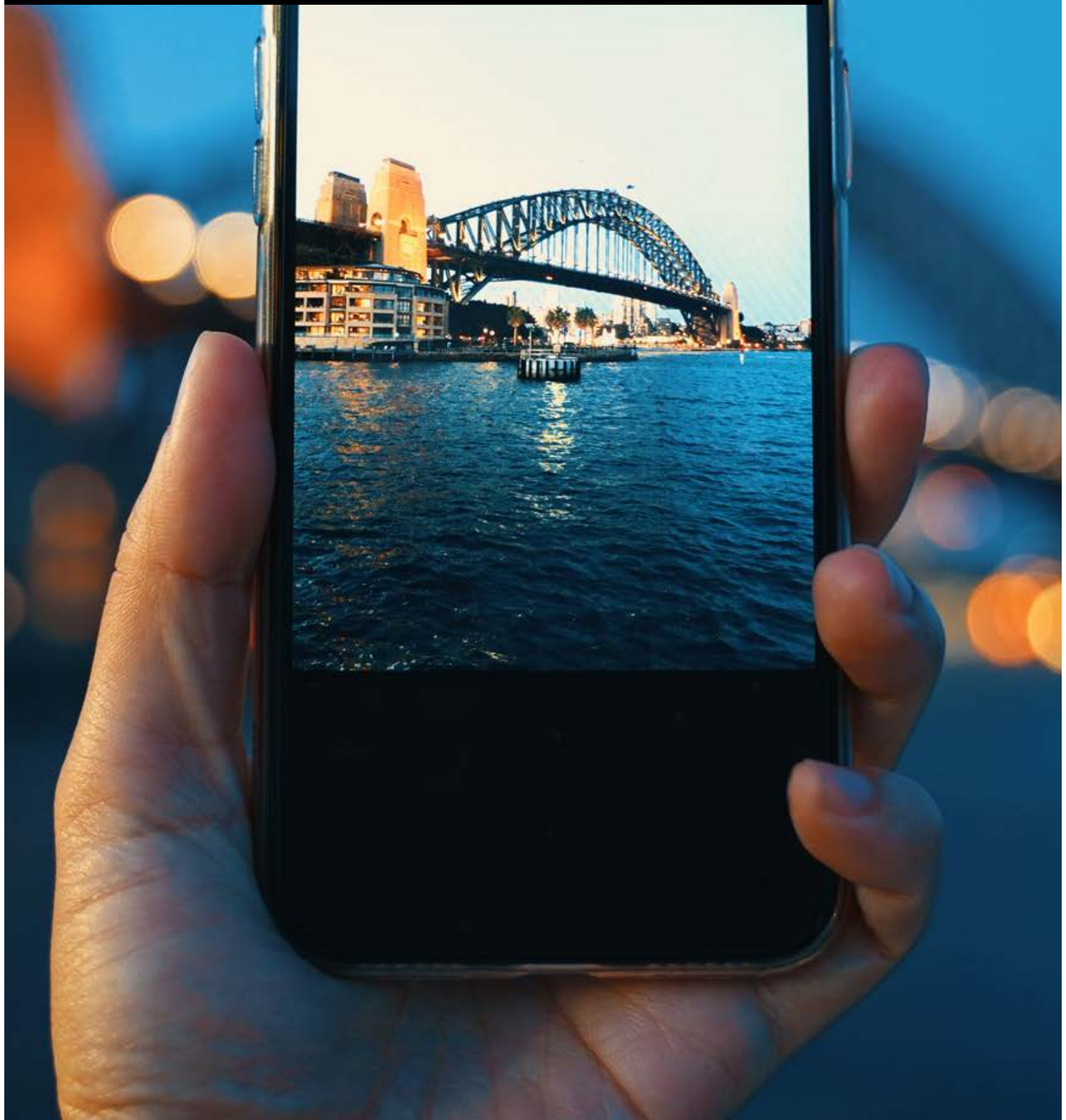
Established in New York in 2011 by three female co-founders, who are all remaining with the business post-acquisition, Betches is a high growth, cash-generative and profitable business. 92% of revenue comes from direct client relationships and derived primarily from long-term recurring partnerships with blue-chip brands. Betches has a highly engaged following and delivers its unique perspective through social, branded partnerships, live-events, merchandise, podcasts and newsletters. Women represent approximately 86% of its overall audience, engaging with brands that are focused on passion points such as mums, brides, travel, relationships and humour.

As well as enhancing the Group's existing direct revenue stream, the Group's existing brands will benefit from the additional capabilities and revenue channels that Betches brings, including podcasts and newsletters. The acquisition of Betches enables the Group to accelerate its presence and understanding of the North American market, while developing deeper relationships with US brands and agencies.

Further details of the acquisition of Betches can be found within the acquisition note on page 121.

KEY STRATEGIC EVENT: 2

ANZ OPERATING MODEL



G C

In response to a year-on-year reduction in Australia and New Zealand's profitability, the Group implemented a number of positive changes to make the operating model more profitable from January 2024, ultimately ensuring that its presence in this geography is secured. These improvements will not only reverse the reduction felt this year but also provide a more efficient model from which to grow, and a potential partnership template to consider for other regions in the future.

The Group's improvements in ANZ combine the centralisation of social and web operations into our UK centre of excellence at a more efficient cost base for the indirect revenues. For direct revenues, the Group has entered into a multi-year strategic partnership model with Val Morgan Digital. Under this five-year agreement, Val Morgan Digital will manage and deliver direct revenues in the region on LBG Media-branded social media pages and websites.

The change in the operating model in ANZ unfortunately led to the redundancy of 60 members of staff in the region and the closure of leased offices in Sydney and Melbourne. The impact of the changes, including redundancy costs and the associated impairment of leased and fixed assets, is detailed in the Chief Financial Officer's Review on page 41.

KEY STRATEGIC EVENT: 3

BOLT-ON ACQUISITIONS

G MA C

Using the successful bolt-on of Furry Tails in the prior period as a blueprint for success, the Group has continued with the strategy of acquiring bolt-on social media pages. In the year, the Group acquired the social media accounts of Lessons Learned in Life (LLIL) for £521k. Lessons Learned in Life has a combined 21m social media followers.

In January 2024, the Group made a bolt-on acquisition of social media accounts with a female audience of approximately 19m from Creative Expansions, Inc. for a total value of £354k.

Acquiring under-monetised social media pages and using our UK centre of excellence to quickly monetise and improve the quality of content is a strategy that we will continue into 2024.

lessons learned in life.

KEY STRATEGIC EVENT: 4

MANCHESTER STUDIO

C

We opened a state of the art studio in our Manchester office in November 2023.

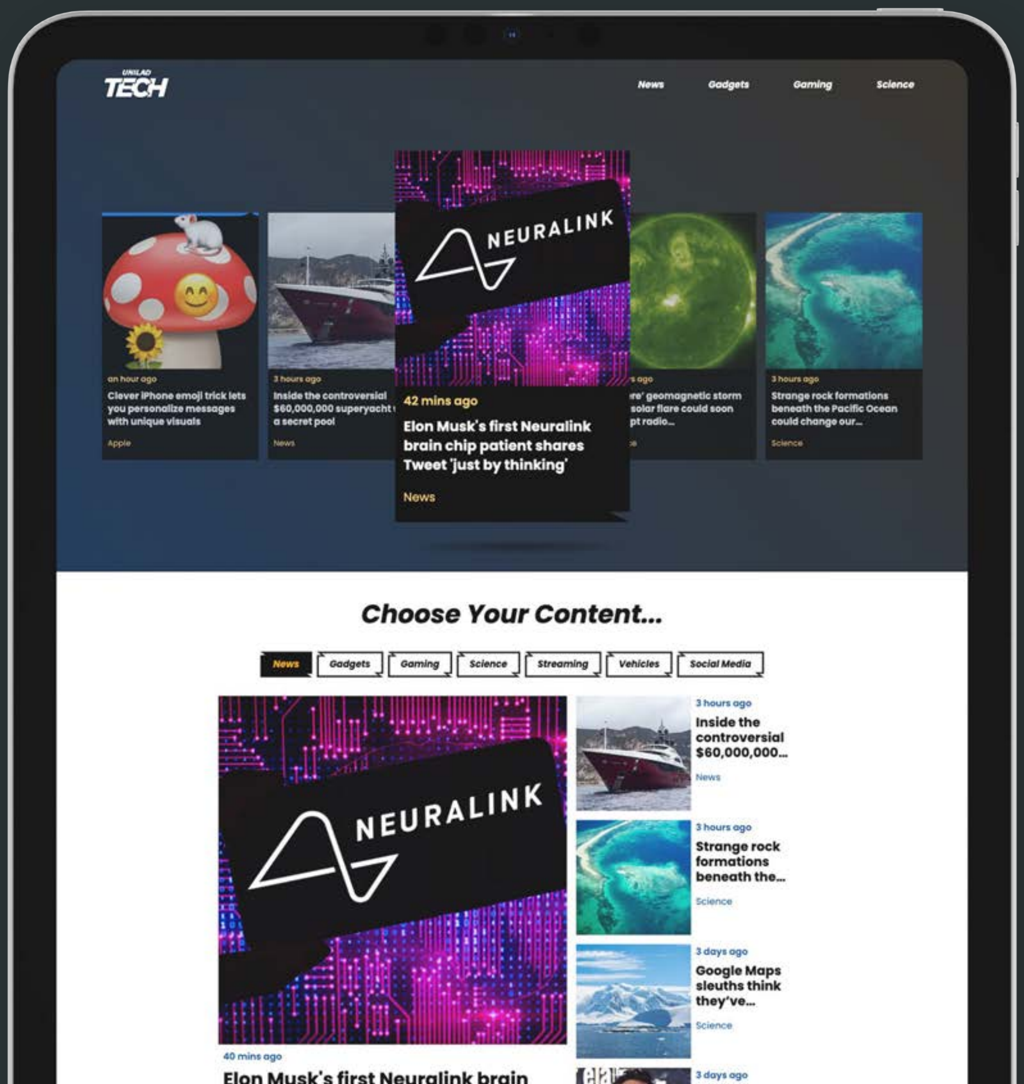
The high-quality new studio enables the Group to produce original, engaging, fresh, new content for publications across its social media pages and websites.

This includes producing social-first formats relating to cultural moments, reactions and viral trends, in line with LADstudios ambition to develop original production capabilities, as well as mediums such as live-streaming and podcasting.

This enables deeper engagement and drives new audiences for monetisation as well as new opportunities for our partners.

KEY STRATEGIC EVENT: 5

UNILAD TECH



C

In November 2023, the Group launched the UNILAD Tech website. Leveraging the success of the UNILAD Tech social media pages, which have a total of 18.1m followers, the new website provides the Group with the opportunity to further monetise its audience through programmatic advertising sales.

uniladtech.com will feature content from the full spectrum of technology including stories covering gadgets and hardware, space, AI and vehicles, as well as tech companies and personalities.

The UNILAD Tech website is the Group's seventh active website. uniladtech.com sits within the wider Group brand portfolio, including brands such as ladbible.com, unilad.com, betches.com and sportbible.com. Collectively, the Group's websites reach over a third of UK adults each month, resulting in billions of page views annually.

A Q&A SESSION WITH BETCHES

A MAJOR ACQUISITION FOR LBG MEDIA

Q: Please tell us how Betches came to be?

A: We founded Betches in 2011 during our senior year at Cornell University as a blog under an anonymous byline. Our goal was to create a space that was funny, honest, and real; where women could connect by exploring our complexities through humour, ultimately pioneering a new type of digital business that exists somewhere between a media brand and an influencer.

Speaking to our audience the way we speak to each other has always remained at the core of our brand DNA and has been the guiding force in Betches' trajectory to becoming a powerful online culture platform for women. Today, Betches has a reach of 250m+ across all platforms and boasts engagement 15x higher than its competitors. We connect with our audience across every touch-point from social media to podcasts, web, newsletters, merchandise, and live experiences.

We've cultivated an in-house team of the funniest creative minds who produce viral content across all of our platforms. We were early to break into podcasting, and our robust podcast network now includes 15 original shows. Thirteen years later, Betches continues to dominate women's media and has become the most influential female-focused humour brand in the market, attracting the attention of best-in-class advertising partners who wish to connect with our unique voice and reach our highly engaged audience through expertly crafted custom-branded content. In terms of CAGR, Betches grew 33% over the past 3 years.

Q: In your view, what is it about Betches and its culture that makes it a successful proposition?

A: Since Betches' inception, maintaining our brand voice and internal ethos has been our north star and competitive edge. In the current digital landscape, the ecosystem connecting a media brand and its audiences, clients, talent, employees, and vendors is more complex than ever, making it paramount to remaining true to the promise of the Betches brand for the benefit of all our collaborators.

The brand is central to maintaining quality content, audience trust, and long-term partner relationships. We have long held the thesis that building and sustaining a loyal consumer base comes from providing value to the audience first.

Focus on engagement also lowers the long-term cost of producing content and running brand campaigns. This also allowed us to evolve and diversify revenue streams, such as being able to offer 360-platform advertiser opportunities across our social channels, podcast network, newsletters, and various brand verticals as well as e-commerce and subscription.

Finally, maintaining an internal culture that aligns with the Betches brands and an enjoyable employee experience contributes to higher retention, a shorter recruitment cycle, and a stronger base of retained industry knowledge.

Q: How many people does Betches employ and where are they based?

A: As of December 2023, Betches had 61 employees with a majority residing in the New York metro area. The largest team is our content team which includes social, podcast, and design followed by our revenue and partnerships team, people, data and marketing.

Q: When did you first come across LBG Media?

A: Anyone with a social media account has had LADbible or the Group's other brands across their feeds, as it has been somewhat of a fixture in social media. Our direct conversations with LBG Media started when LBG Media management reached out to Aleen in 2022. That was a hugely exciting development for Betches, and morphed into us becoming a part of the Group.

Overview
Strategic Report
Governance
Financials

Q: How has life been since you were acquired by LBG Media? Has much changed?

A: We've made a lot of new British friends, but so far there hasn't been too much change. We see that as a good thing. Our executive team is working through a list of prioritised cross-collaboration opportunities with the LBG Media team as the start of the integration process.

Q: What similarities and differences are there between Betches and LBG Media?

A: Like Betches, LBG Media is a social-first company founded in the early 2010s by friends while they were at university, but our synergy goes well beyond our similar narratives. We also have a mutual passion for creating content that our audiences truly want and share a sensibility around how to steadily build our businesses for enduring success. Our differences are mainly complementary; Betches is a US-based female-founded company whereas LBG Media is a UK-based and male-founded company. With our combined communities, capabilities, and creativity, we are eager for the Group to reach new heights and enter new arenas globally, with an eye toward long-term success.

Q: What cross-selling opportunities have you found so far?

A: We recently closed our first major deals together, with Mars and White Castle, and are looking forward to continuing to work together to build and strengthen genuine, long-term relationships and multi-year partnerships with best-in-class clients. We have also gone to market collaboratively to Peacock for a full-year proposal. The opportunity is clearly very significant and, together, we are a powerhouse in the market.

Q: Do you see much opportunity for Betches to benefit from indirect revenue in a similar way to LBG Media?

A: Yes, absolutely; LBG Media is a proven leader in this space, and we are eager to learn from its expertise in this area so that we can create the runway for indirect as a growing source of revenue generation in the coming years.

OUR JOURNEY – AMBITION & IMPORTANCE

Sustainability progress in 2023

LBG Media is committed to making a difference in the world

As a leading social publisher focused on young adults, we are aware that we have a powerful global platform to push a socially responsible agenda, represent our audience, and enable those that do not have equal opportunities to have their voices heard.

In 2023 we conducted our first materiality assessment to identify the issues that matter most to, or require most attention from LBG Media. You can read about the process for our materiality assessment on page 28.

We've made progress in a lot of areas over the course of the year but are continually looking ahead to see how we can do more.

Reducing carbon footprint

A key focus for our web operation is to select ad tech partners that reduces our impact on the environment:

- Across all of our websites, we conduct regular analysis and investigation with existing partners to optimise processes and reduce the overall requests that are being made. We also take a proactive approach to removing repeat offenders that show a high carbon usage to reduce overall impact.
- This coming year, we are also looking into third party tech partners that assist with eco-effective bidding. Eco-effective bidding refers to a procurement or bidding process that prioritises environmentally sustainable and efficient solutions.

OUR ESG FOCUS AREAS

In 2023 we undertook a sustainability materiality assessment with the aim of determining what our ESG focus areas should be for the coming years. These are summarised below:

PLANET EARTH

1. Decarbonisation in our business

GHG emissions due to human activity are the dominant cause of climate change since the mid-20th century. We will investigate the most impactful ways to reduce the harmful emissions our business activities create, and implement measures to reduce them.

2. Climate-positive action

Using our content, creativity and global reach, we will raise awareness of key climate-related issues most relevant to our young adult communities, with a view to creating significant behaviour change and forming lower carbon footprint habits in this group. We will investigate responsible ways of reducing the carbon footprint the use of digital technology impacts (E-waste).

We will continue to engage with our stakeholders and employees on climate-positive topics.

PEOPLE AND SOCIETY

3. Talent acquisition and retention

Continue to attract and retain high quality, engaged team members who share our brand values and whose skills will help drive growth.

4. Equality, diversity and inclusion

Commit to building equality in our organisation, whilst also supporting a diverse and inclusive culture.

5. Mental health and wellbeing

Provide tailored mental health and wellbeing initiatives for our employees, and continue to support our global audience on mental health through our content.

6. Utilising the digital space for good

Be a leader in the ever-changing landscape of social and digital communication, and continue to work closely with companies who see us as a trusted partner to help them engage with young adults.

BETTER BUSINESS

7. Business ethics and governance

Uphold accounting, tax, employment and publishing guidance and regulations and apply the highest standards of corporate governance in all jurisdictions. Expect ethical values and behaviour to be applied to all aspects of our business, both as individuals and in the conduct of the organisation as a whole.

8. Responsible content and voice

Using our powerful global presence and content generation to promote a socially responsible agenda. Be advocates of, and a positive influence on, the younger generation.

9. Safeguarding online users

Ensure that our content and activities aid the safety and protection of our global audience, across all our brands and platforms.

PLANET EARTH

1) Decarbonisation in our business

We have made significant strides in 2023 across our production practises and our green policies.

LADstudios production now includes a 'Green Memo' on all shoots which focuses on lowering our carbon footprint on set as well as using Albert and Adgreen calculators to ensure best practice. By expanding our in-house studio capabilities, we have been able to increase our control over our production footprint via house energy and restricting travel.

We developed more relationships with local suppliers to provide pop up food carts and weekly fruit supplies to our offices and worked with our cleaning company to use more eco-friendly products in our offices. We've also made it a policy that courier bookings are multi-drops with eco-vans to minimise emissions and given all staff reusable branded coffee cups to encourage the reduction of single-use cups.

2) Climate positive action

Across our platforms, we look to highlight issues facing our planet and educate on what our audience can do to tackle them.

Our editorial teams constantly seek ways to inspire the next generation to action. For example, we worked on a campaign with the BBC for Planet Earth III this year, creating content in Costa Rica designed to raise awareness and educate about rainforest wildlife, and encourage the younger generation to ensure that is protected.

To ensure best practice within the digital advertising industry, we are proud to be IAB Gold Standard certified. This certification means we are committed to improving the digital advertising experience and tackle issues such as supply chain transparency.

We are also part of the IAB board and take an active role in discussion around sustainable practises to positively shape the future of the industry.

PEOPLE AND SOCIETY

3) Talent acquisition and retention

We introduced a three-day office policy into our global offices to elevate our culture and encourage even more collaboration.

As part of this move, we have also invested in renovating our offices across London and Manchester and expanding the spaces for our employees with three new floors.

4) Equality, diversity and inclusion

LBG Media is committed to building an inclusive workforce and provide opportunities for young people from diverse backgrounds.

This means creating an environment where everyone feels comfortable to be themselves and builds a community within the workplace that reflects our global audience. We have provided a wide range of opportunities to inspire the next generation for growth and development in media.

Merky FC

We have continued our partnership with Merky FC, an initiative backed by Stormzy to offer placements at LBG Media from young black heritage. This year, we welcomed a new starter in the SPORTbible and ODDsbible social team creating original content, sourcing viral content and covering breaking news stories in the world of sport. He has now been hired full time in an entry level role.

The Prince's Trust

We worked with our long-standing partner The Prince's Trust in collaboration with the Reporters Academy to host a group of young people in our LADbible Manchester office to attend the 'Making it in media' course. The Reporters Academy provided guidance and advice on how to get into the industry and what opportunities are available to them on their doorstep in Greater Manchester, as well as interacting with our editorial and social teams to learn more about social publishing.

Plan International

For the first year, we launched a partnership with Plan International, to celebrate 'International Day of the Girl', to help the representation of girls and young women in media. Dunmi, an aspiring journalist from Coventry took over from Solly as CEO for a day that saw her getting to grips with the world of social publishing, writing stories with our editorial team, looking at how we create original programming in our studio and to round up the day she even hosted her own interview with our Tyla editor with our Women at LAD network.

Women's Network

We have expanded our internal voluntary communities with the launch of the Women at LAD network, who meet on a monthly basis and host workshops to inspire and share ideas.

LBGTQ+

Our internal LBGTQ+ community, PROUDLAD, has also expanded to form an editorial hub, with a celebration at Manchester PRIDE and continued membership of Intermedia, a global network to ensure strong representation of the community within the media industry.

PEOPLE AND SOCIETY

4) Equality, diversity and inclusion continued

Apprenticeships

We have also continued our apprenticeship scheme to give people a chance to kickstart their careers in media, with two placements this year within our Social Video team in our Manchester office. They are studying the Content Creator Level 3 apprenticeship.

5) Mental health and wellbeing

Mental health and wellbeing are important topics for our audience.

This year, we aimed to make an impact in a variety of ways such as created Cutting Through, a series of cheap and easy recipes to support our audience practically during the cost of living crisis. 2023 partnerships included working with MIND to raise awareness around intrusive thoughts and OCD on World Mental Health Day as well as working with If U Care Share, the suicide prevention charity on Blue Monday. Other content strands saw LBG Media supporting International Men's Day by encouraging men to speak out if they have suffered sexual violence and working with Tommys for Baby Loss Awareness Week on Tyla.

We are also continuously reviewing our LADfamily employee policies to ensure we are supporting our employees in situations that may be personally challenging – such as pregnancy loss paid leave, fertility leave, workplace nursery benefits and time off for dependants. Other support includes Mental Health Allies, a trained team in which employees can reach out to for help and resources. Employees also have access to our qualified counsellor, the BUPA private medical scheme, NABS career coaching and Headspace.

6) Utilising the digital space for good

This is core to our mission of giving the youth generation a voice.

Spotlight on 'Have a word' x Mayor of London

To continue our commitment to stopping violence against women and girls, we partnered with the Mayor of London to support their 'Have a word' campaign, encouraging people to call out their friends if they made sexist comments.

LBG Media was chosen as the official media partner for the campaign, creating original editorial content and amplifying the message across our platforms to our engaged young adult audience.

We conducted research via LADnation, looking into our audience's views and experiences of casual sexism. This data highlighted there was a significant issue with 82% of women surveyed having experienced it.

We used a mix of editorial pieces, social content, display advertising, creator content and an online hub, to educate and inform our audience of the problem of challenging sexism and misogyny in society in a digestible, and uniquely LAD, way. We even interviewed Sadiq Khan on an episode of Honesty Box.

The campaign saw over 12m views across all content on our platforms, 301k engagements, alongside widespread national coverage, all to position LBG Media as a supporter of the anti-VAWG (Violence Against Women and Girls) cause and bring the issue of sexism to the front of our audience's minds (LADnation).

The campaign saw real results with both a shift in behaviour and confidence in calling out sexual harassment when you see it. Following the campaign, our audience were more likely to take action if they saw casual sexism with the biggest uplift being in the 18 to 24 year old bracket, from 64% to 75% (LADnation).

PEOPLE AND SOCIETY

6) Utilising the digital space for good continued

A spotlight on supporting young people's careers x The Prince's Trust

To drive our commitment in supporting the next generation and showcase LADnation as a powerful tool to uncover insights of this sought-after demographic, we partnered with The Prince's Trust to commission a report looking at young people's feelings about dream jobs.

Utilising our consumer research panel made up of 55,000 Gen Z and Millennials, we developed a report into the youth generation's dream jobs, motivations, and barriers when it comes to job-seeking in today's market.

The research conducted by LADnation offered an in depth look at how young people are planning their careers, and the impact the cost-of-living crisis is having not only on the now but on young people's futures and aspirations, noting the following:

- Lack of opportunity (36%) as the number one obstacle
- Other factors that are holding young people back from having a dream job are money (35%), lack of self-confidence (32%), lack of experience (33%) and the increased cost-of-living (30%)
- Only 7% of respondents said they have and are currently in their dream job
- The report generated significant press coverage and even prompted a question to parliament

It is vital to continue to support young people, particularly those who are already facing disadvantage, to achieve their potential as part of our global mission.

BETTER BUSINESS

7) Business ethics and governance

Refer to the Corporate Governance Report on page 51 for further details.

8) Responsible content and voice

To ensure best practice within the digital advertising industry, we are proud to be IAB Gold Standard certified. This certification means we are committed to improving the digital advertising experience and tackle issues such as supply chain transparency.

We are also part of the wider IAB board and take an active role in discussion around sustainable practises to positively shape the further of the industry.

We have also consulted with a wide variety of charities this year to inform the way our journalists tackle a variety of sensitive subjects to ensure our code of practice is robust.

9) Safeguarding online users

As a leading social publisher, it's important to us to build a positive, safe environment for our audience and have an open dialogue with them to listen, engage and bring content that is informed by them. Our content is viewable and open to anyone and we don't remove any groups or audiences.

We take appropriate measures to ensure a safe space for everyone including precautions and policies such as comment moderation and a set of community guidelines provided to our social and editorial teams. Risk assessments are carried out across all partnerships and adhere to a set of signposting policies on high-profile or sensitive subjects.

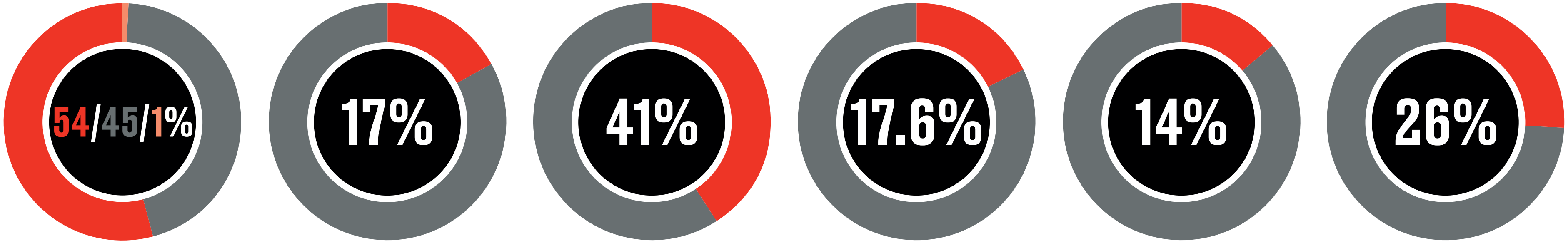
For our clients, we also apply keyword blocking and exclusion lists based on their campaign requirements, to enable them to stay in a brand safe or brand suitable environment. These are applied at advert placement level and does not block the content that is released onto our brands, but the adverts from showing.

We are continually reviewing all policies to ensure a safe space for both our community and our partners.

DIVERSITY & INCLUSION

LBG Media has a strong commitment to build a diverse and inclusive workforce that reflects our huge global audience in an environment where everyone feels comfortable to be themselves. This means leading by example, challenging ourselves and our audience to think differently through thought-provoking content and creating an environment where our people can directly influence the work we do.

HOW ARE WE DOING?



GENDER SPLIT | LGBTQA+ WORKFORCE | WOMEN IN SENIOR ROLES | DIVERSE LEADERSHIP | DISABILITY | ETHNICITY

♂ Male ♀ Female ⊕ Other

1. All figures are as at 31 December 2023.
2. Senior roles are defined as non-statutory Director level and above.
3. Diverse leadership is defined as any leader (see point 2) that is LGBTQA+, disabled, not white-British or non-male.

A REMINDER OF OUR TARGETS:

50/50% GENDER SPLIT

8% LGBTQA+ WORKFORCE

50% WOMEN IN SENIOR ROLES

20% DIVERSE LEADERSHIP

12% DISABILITY

20% ETHNICITY

The Group's performance versus each target will be monitored annually by senior management and actions will be taken as necessary. We will continue to work to remove barriers for females to obtain leadership positions by ensuring our policies and working practices support women in the workplace.

We have completed an acquisition of Betches which will drastically increase the gender split at all levels including leadership positions.

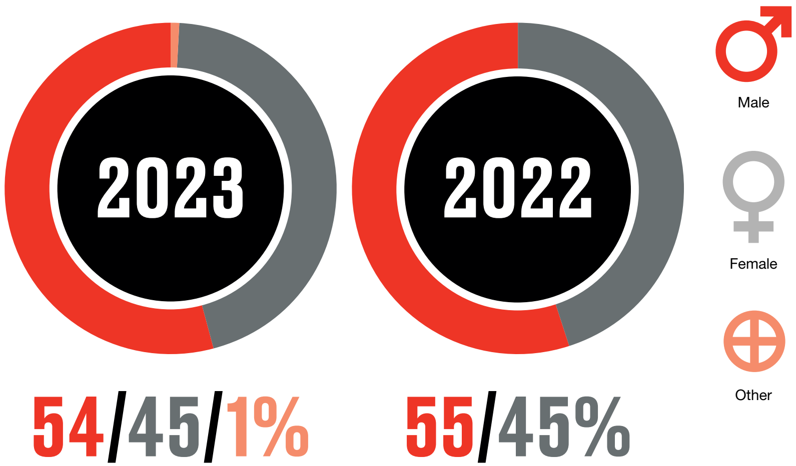
GENDER PAY GAP

We are committed to rewarding our employees equally, regardless of gender. We are proud to have continued to keep our median gap substantially lower than the UK average at 6.24% (UK average is 7.7%) but we also acknowledge that there's still work to do.

We are dedicated to continuing to work towards closing the gender pay gap and building out a diverse and inclusive workforce, with greater representation at all levels.

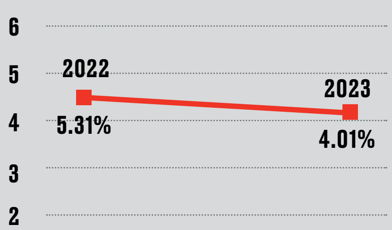
The average and median bonuses were marginally higher for women than men within the organisation in 2023. This represents a substantial shift year-on-year to the average figure which in 2022 was 53% higher for men than for women.

GENDER SPLIT

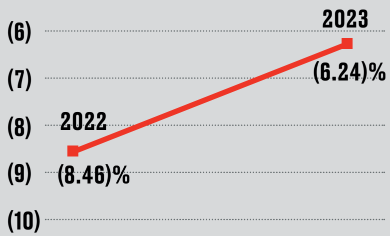


PAY GAP

MEAN



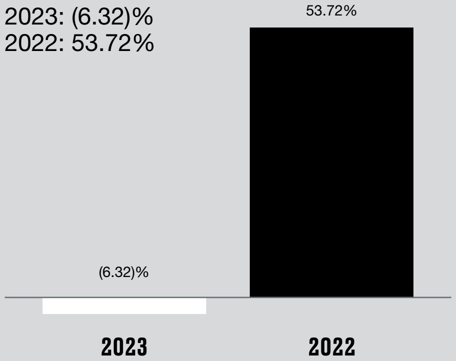
MEDIAN



BONUS GAP

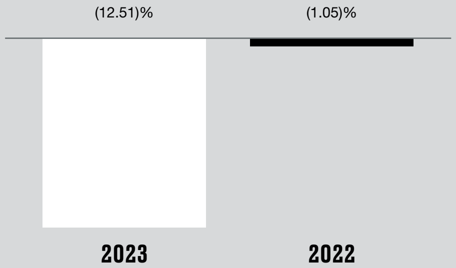
MEAN

2023: (6.32)%
2022: 53.72%



MEDIAN

2023: (12.51)%
2022: (1.05)%



MEAN PAY GAP The difference in the average hourly rate of men's and women's pay. The mean (average) is calculated by adding together all values and dividing by the number of values. The mean is the overall average of the whole sample and can thus be subject to the influences of any extremely high or low salaries at the top or bottom of the sample. In other words, the mean is subject to skewing by a small number of outliers. For example, a 10% mean pay gap means that the average pay of men is 10% more than women.

MEDIAN PAY GAP Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary. For example, a 20% median pay gap reflects the middle-most pay of women by this measurement is 20% less than men. The median measurement is less impacted by the highest and lowest outliers than the mean value.

SECTION 172(1) STATEMENT

We have a broad range of stakeholders who influence or are affected by our day-to-day activities, and have varying needs and expectations. Our aim is to ensure that the perspectives, insights and opinions of stakeholders are understood and taken into account when key operational, investment or business decisions are being made, so those decisions:

- are more robust and sustainable in themselves; and
- support LBG Media's strategic approach of creating value for shareholders and society.

This statement sets out how our Board of Directors, both individually and collectively, act with regard to section 172(1) of the Companies Act 2006 when undertaking their duties during 2023.

The Board considers that this statement focuses on those risks and opportunities that are strategically important to LBG Media, and consistent with the Group's size and complexity.

Engagement with all stakeholders is critical to the Group achieving long-term success. As such, the Board regularly considers all stakeholders when making decisions regarding the Group's long-term strategy and operations.

Our key stakeholders are those who influence or are affected by our day-to-day activities. These stakeholder groups have varying needs and expectations; our aim at LBG Media is to engage effectively with all of them, to develop and maintain positive and productive relationships.

KEY STAKEHOLDER	WHY WE ENGAGE	IMPACT TO LBG MEDIA	VALUE CREATED
EMPLOYEES 	Engagement helps attract, retain and develop a diverse and talented workforce.	Diversity in our people and our thoughts helps us to create content our audience loves, with many of our colleagues being part of the communities we reach.	Our workforce reflects the communities we serve. Our culture is a powerful asset and empowers and enables our people to deliver high quality content for our audience.
SHAREHOLDERS 	We place great importance on having constructive relationships with all shareholders and seek to ensure there is an appropriate level of dialogue with them on all matters, including strategy, governance and remuneration, throughout the year.	Our investors provide finance, strategic direction and stewardship. Shareholders are directly consulted by the Board on such matters as Remuneration Policy and views are sought on key corporate activity.	Successful execution of the strategy drives strong earnings performance.
AUDIENCE 	Our audience is at the centre of everything we do. Without them we would not exist. It is therefore vital we create vibrant, engaging content to attract and retain our audience.	Commercial opportunities are driven primarily by the access we have to our audience.	Creating a large, diverse audience, often in the hard to target 18-34 year old range, differentiates our media offering versus our competitors.
CUSTOMERS AND PLATFORMS	Fostering healthy reciprocal relationships helps to ensure LBG Media achieves the greatest all-round value from its investments and activities.	Developing mutually beneficial relationships with our commercial partners and suppliers is a fundamental contributor to our long-term sustainability.	Through alignment with our values, continuous improvement and risk we build mutual confidence and respect.

EMPLOYEES

Group engagement

- Multi-channel engagement through quarterly town hall meetings (led by our CEO, COO and CFO)
- Annual group-wide events
- The weekly 'LBG Media Roundup' email sent to all staff summarising the key events of the week across the business

How the Board engaged in 2023

- D&I survey
- Q&A sessions with all staff at quarterly town halls and annual events
- Department led team meetings
- Mentoring of key talent
- Blended working approach
- Team socials and events

What we learnt

- Communication of business strategy and direction is important to our employees
- Blend of work and home life is important
- That our employees feel part of a team
- That employees feel that we have a genuine care for their wellbeing
- That our employees believe LBG Media is a great place to work

What are we going to do in 2024?

- Grow and attract the best talent
- D&I initiatives, groups and partnerships
- Review our reward strategy and salary benchmarking
- Further engagement surveys
- Continue and build on town halls and communication

Measuring engagement and value created

Prior year engagement results are as follows:

- Overall employee engagement score of 74%
- 92% of our employees are happy with the blended working approach
- 84% feel they are part of a team
- 84% believe their manager cares about their wellbeing
- 83% would recommend LBG Media as a great place to work

SHAREHOLDERS

Group engagement

- Responding to queries from shareholders, and holding meetings with all types of investors on an ongoing basis
- Ad hoc updates with investors to help them to understand the business
- Continuous communication with buy-side analysts (who act as a conduit with shareholders)
- Communicating shareholder views to LBG Media's senior management teams
- Bi-annual roadshow to communicate results

How the Board engaged in 2023

A programme of director-investor meetings covering key financial announcements, long-term priorities and specific issues at investors' request

- Participation in virtual and physical investor conferences
- Chair meeting with top shareholders to maintain the interaction and to obtain feedback
- Regular Board updates on investor and financial market sentiment
- Board updates on the acquisition of Betches Media, LLC
- Detailed reporting of shareholder feedback during and after half- and full-year results roadshows

What we learnt

- Investors are highly engaged with LBG Media and understand the strategy that underpins our future growth plans. They are keen to see the traction from these and they are supportive of the strategy and its implementation
- Focus on ensuring key management is retained, good succession planning is in place across the leadership teams as well as appropriate future remuneration policy

What are we going to do in 2024?

- Continue to engage with our shareholders throughout 2023 through regular communication including the AGM
- Board members are available should investors like to hear an update and share feedback

Measuring engagement and value created

- Basic earnings per share (EPS) 0.8p
- Diluted earnings per share (EPS) 0.8p

AUDIENCE

Group engagement

- Surveyed our audience via our LADnation panel around key topics to help inform key reports, content ideas and commercial partnerships
- Recognised and activated on-the-ground content around culturally relevant moments such as Pride, Suicide Prevention Month and Movember
- Engaged with our audience via innovative experiences, creating AI lens for brands on our platforms such as with Jacamo to allow users to try on men's clothing on their cameras
- Undertook partnerships with high profile events, including The Prince's Trust Awards, Park Life, Sigizet, Reading and Leeds, Wimbledon, The Hundred, MVA's, BAFTA's, The Brits and Women's World Cup
- Supported charities and fundraising such as World Vision, If You Care Share via content partnerships

How the Board engaged in 2023

- Audience engagement figures form part of every Board meeting agenda

What we learnt

- Engagement from our audience drives everything we do and informs our content strategies across our brands
- Our audience loves to experience key moments in the cultural calendar through LBG Media's channels
- Partnerships with high profile events bring in new audiences
- Creating a wide range of content for all of our platforms is integral in our strategy to be where our audience are
- Our audience enjoy being active participants and experimenting with personalised content

What are we going to do in 2024?

- Continue developing LADnation reports around topics that young adults resonate with and issues that are important to them
- Activate brand campaigns around issues that are important to our audience
- Create content to raise awareness and money to support issues around the world
- Create partnerships with high profile events and platforms to help reach new audiences

Measuring engagement and value created

- LBG Media has 14.3bn all-time engagements globally (where engagements are based off likes, comments and shares) and is top 1 for all-time engagements – across Facebook, Instagram, YouTube and X

CUSTOMERS AND PLATFORMS

Group engagement

- Ongoing, strong relationships with the key advertising agencies, fostered through regular meetings
- Regular meetings with the largest social media platforms including Meta, Google and Snapchat

How the Board engaged in 2023

- The relationships with key media agencies and platforms form part of every Board meeting agenda

What we learnt

- Customers are highly engaged with LBG Media and understand the strategy that underpins our future growth plans. They are keen to see the traction from these and they are supportive of the strategy and its implementation
- Focus on ensuring key management is retained, good succession planning is in place across the leadership teams as well as appropriate future remuneration policies

What are we going to do in 2024?

- 2024 kick off meetings with platforms including TikTok and Google/YouTube to discuss comms opportunities at key B2B events throughout the year

Measuring engagement and value created

- LBG Media has become one of the biggest publishers on TikTok in the UK
- Successful partnerships with The AA, Budweiser and McDonald's all using LADnation for the first time

Key decisions made in the year

STRATEGIC DECISION	STAKEHOLDER GROUP IMPACTED	ENGAGEMENT WITH STAKEHOLDERS
Acquisition of Betches (see note 27 for details)	**Employees**	On 17 October 2023 the acquisition of Betches was announced to all staff by an email from Solly Solomou (CEO). At 11am on the same day a Q&A session followed in the LAD UK office locations. On 24 October 2023 an in person announcement was also made in New York to all Betches Media, LLC employees by Solly Solomou (CEO), followed by a Q&A. Employees have been regularly updated since the acquisition on progress (including via the weekly Roundup newsletter).
	Investors	Material acquisitions have to be reported to the wider market at the contract signing date. An announcement was made to the market on the date of the acquisition of Betches, highlighting the specifics of the acquisition. Investor presentations and meetings followed this announcement.
Change in the ANZ operating model (see strategic report, page 20 for details)	**Employees**	On 8 November 2023 an announcement was made in person by members of the senior leadership team in the Sydney office and via teleconference for the Melbourne and New Zealand teams to confirm that the ANZ operations would change the way in which they operate and that a redundancy consultation process would begin. The reasons for the change were communicated as part of the announcement and then individual meetings followed with each affected employee. A formal consultation process was followed in line with local laws. An email communication was also sent by Solly Solomou (CEO) to all UK and New York teams of LBG Media to confirm the news on the same date.
	Investors	The change in the ANZ operating model was announced in December 2023 to the market via an RNS.
	Customers	All customers were informed of the change in operating model directly through their respective ANZ sales representatives.

Key decisions made in the year continued

STRATEGIC DECISION	STAKEHOLDER GROUP IMPACTED	ENGAGEMENT WITH STAKEHOLDERS
Non-payment of dividends	**Investors**	The decision was made to not pay a dividend in the year. This is consistent with the prior period and also expected to continue in the near future as the Group focuses on reinvesting its profits to support growth. Investors are kept informed via the bi-annual and annual report and accounts.
Arian Kalantari (Director and COO) departure and distribution of responsibilities	**Employees**	On 26 July 2023 it was announced via an email to all employees by Solly Solomou (CEO) that Arian Kalantari had resigned as Director and COO of the Group and that his previous responsibilities have been distributed between the senior management team.
	Investors	On 26 July 2023 it was announced via an RNS to all investors that Arian Kalantari had resigned as Director and COO of the Group with immediate effect. As part of the announcement it was noted that his operational responsibilities had been distributed among colleagues and will now be permanently retained by those members of the Group's established and strong leadership team.
Retention bonus	**Employees**	In the year, in order to ensure that we retained our high quality workforce, we paid a retention bonus to all staff that remained in employment throughout the year, at a cost of £0.6m to the Group. This was communicated to employees via the annual review process in February 2023.

Highlights

- Revenue growth of 7.5% year on year to £67.5m (2022: £62.8m).
- Adjusted EBITDA margin of 25.7% (2022: 25.0%).
- Profit before tax of £5.9m (2022: £7.3m) after adjusting items of £3.7m (2022: £2.2m).
- Closing cash of £15.8m (2022: £29.3m) after investment in acquisitions of £17.6m. Cash generated from operations in the year of £10.1m (2022: £1.3m).
- Acquisition of Betches Media, LLC 'Betches' in October 2023 for £29.2m, which contributed £2.3m revenue and £0.1m Profit before tax to the Group in the period since acquisition.

Revenue

	2023 £'000	2022 £'000	Movement %
Direct	**29,349**	27,806	5.5%
Indirect	**37,111**	33,601	10.4%
Other	**1,050**	1,402	(25.1)%
Revenue	**67,510**	62,809	7.5%

Group revenue increased 7.5% to £67.5m (FY22: £62.8m), with the acquisition of Betches in October 2023 accounting for £2.3m of this increase. Organic revenue growth was 4%, which is a solid result given economic headwinds and challenges in ANZ.

Direct revenue grew 5.5% to £29.3m, reflecting progress across both new and existing clients.

Indirect revenue, which is diversified across our social and web revenue streams grew by 10.4% overall due primarily to the increases driven in both our social video views and our web sessions. The increase in social video views to 128bn (FY22: 98bn) reflected us embracing the shift to short-form video in late 2022 and our capabilities in increasing the production of engaging content across our platforms. This has continued to mitigate the year-on-year pressure on social yields that accompanied that market shift. Yields from advertising on our owned and operated web sites benefitted from investment over the year on people and technology in this area.

Other revenue of £1.1m which represents minor revenue streams such as content licensing was £0.4m lower than the prior year.

POSITIVE REVENUE MOMENTUM

RICHARD JARVIS – CHIEF FINANCIAL OFFICER

Net operating expenses

Operating expenses excluding depreciation, amortisation, asset impairment and release of related liabilities, share based payment charge and adjusting items amounted to £50.1m (FY22: £47.6m). The increase of £2.5m includes £2.2m of costs from Betches that were not in the prior year comparative.

Adjusted EBITDA

Adjusted EBITDA of £17.4m (2022: £15.7m), showing 10.8% growth on the prior year (£0.1m of EBITDA relates to Betches).

Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategy and is a benchmark that has been used by management and the investment community to assess the performance of the Group since IPO. As such, management believe that this adjusted measure is an appropriate measure to assess the performance of the Group. Note that using Adjusted EBITDA produces a materially different result to the most closely related GAAP measure, being Profit Before Tax. It is therefore important to understand the nature of any adjusting items.

Depreciation and impairment

Depreciation of £2.1m (FY22: £1.6m) was up 27.9%, mainly reflecting new IFRS16 property leases in the UK. Additionally, £0.3m (FY22: £nil) was incurred due to the impairment of mainly lease assets associated with the closure of Australia offices, net of the release of related liabilities (see note 6 for details).

Amortisation

Amortisation of £1.4m (FY22: £0.8m) was up 70.3% due to the impact of intangible assets acquired through business combinations.

Share based payment charges

Share based payment costs were £3.9m (FY22: £3.6m), up 8.5% due to the impact of new schemes in 2023 (see note 20 for details).

Key performance indicators ('KPIs')

The Board monitors progress of the Group by reference to the following KPIs:

	2023 £'000s	2022 £'000s	2023 v 2022 £'000s	2023 v 2022 %
Financial				
Revenue	**67,510**	62,809	4,701	7.5%
Adjusted EBITDA	**17,368**	15,682	1,686	10.8%
Adjusted EBITDA as a % of revenue	**25.7%**	25.0%		
Profit before tax	**5,937**	7,323	(1,386)	(18.9%)
Profit before tax as a % of revenue	**8.8%**	11.7%		
Non-Financial				
Global audience (m)*	**452**	366	86	23.5%
Video views (bn)*	**128**	98	30	30.6%
Average number of employees (no.)	**446**	470	(24)	(5.1%)

* Video Views and Global Audience exclude Pubity and Memezar. Video Views are across Facebook, Snapchat, TikTok, X, YouTube and Web. Global Audience reflects social followers, unique podcast listeners and average monthly website users in the 12 months to December 2023.

REVENUE GROWTH

7.5%

ADJUSTED EBITDA MARGIN

25.7%

Adjusting items

Adjusting items are those that are not indicative of the underlying performance of the business and are therefore adjusted to ensure consistency between periods. These totalled £3.7m (FY22: £2.2m) within the year, with the key items summarised as follows:

Business reorganisations – ANZ

On 8 November 2023, the Group announced changes to the Group's operating model within Australia and New Zealand. This change involved centralising the social and web operations into the UK, as well as appointing a third-party partner, Val Morgan Digital, to perform commercial operations in Australia. Significant one-off costs, including redundancy for 60 people, were incurred and categorised as adjusting items to better reflect the underlying performance of the Group. These adjusting items total £1.4m and include £1.2m of staff related costs and £0.2m of non-staff related costs.

Costs associated with business reorganisations – Non-ANZ

Costs associated with team member reorganisations of £0.6m relates to exit costs of personnel leaving the business due to reorganisations within our operating divisions and Board. £0.4m of that cost relate to Board level changes due to both the resignation of the CFO in April 2023 which led to some dual CFO costs and the resignation of the COO in July 2023 who left the business at that point. Due to the nature of these costs, management deem them to be adjusting items in order to better reflect the underlying performance of the Group. Exit costs outside of these circumstances are treated as operating expenses.

One-off retention payment

Recognising a set of unique circumstances of stabilising and retaining staff following the large reorganisation in the last quarter of 2022 that was also compounded by the cost-of-living crisis, the Group made a one-off payment to employees to mitigate retention risks. This payment was fully repayable if they chose to leave within the year. Due to the one-off nature of this payment and to facilitate meaningful understanding of underlying performance and comparison with prior and future years the cost of £0.6m has been considered an adjusting item.

Acquisition related fees

Acquisition related costs of £1.1m include legal, professional advisory and other costs directly attributable to the acquisition of Betches in October 2023, and other acquisitions.

Tax settlement

In the prior year the Group agreed to settled pre-IPO PAYE liability of £0.2m which was treated as a one-off adjusting item. Following a settlement agreement with HMRC in 2023, this liability was reduced by £0.1m and a credit to adjusting items was made and, for consistency with prior year, classification this has been shown as an adjusting item.

Total adjusting items in the prior year of £2.2m related to business reorganisations (£1.6m), US set up costs (£0.6m), tax settlements (£0.3m) and amounts recoverable from Bentley Harrington (£0.3m credit). For details, see note 6.

Net finance costs

Net finance costs increased by £0.3m to £0.5m (FY22: £0.2m). The movement relates to an increase of £0.4m in finance costs mainly driven by the unwinding of the discount on contingent consideration of £0.3m regarding Betches, offset by an increase in finance income of £0.1m.

Share of JV

Share in joint ventures was £0.3m (FY22: £0.0m), representing our share in the results of Pubity Group Ltd.

Profit before tax

Profit before tax decreased to £5.9m (FY22: £7.3m), due to the higher adjusting items in the year. Betches accounts for £0.1m of profit before tax. A reconciliation between adjusted EBITDA and Profit Before Tax can be found on the Consolidated statement of comprehensive income.

Taxation

The tax charge for the year was £4.3m (FY22: £2.0m). Tax has increased due to the UK becoming relatively more profitable, with higher losses generated in Australia and New Zealand than in the prior year (see discussion of change in ANZ operating model).

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Acquisitions

On 17 October 2023, the Group acquired the entire share capital of Betches for total consideration of £29.2m.

Betches is a US-based media brand founded by women and focused on digital media content production and publication for women.

The primary reasons for the acquisition are discussed in note 27.

Consideration for the acquisition was entirely in cash, with no shares in the Group issued to the sellers.

The cash consideration is comprised of £19.3m funded from existing cash resources, with up to a further US$30m cash consideration payable in instalments (£23.5m at the closing balance sheet rate), subject to Betches achieving certain revenue and EBITDA targets to 2026. The contingent consideration is payable in annual tranches from March 2024 up until March 2026.

Of the maximum contingent consideration of £23.5m (US$30.0m) payable to the sellers, based upon revenue and EBITDA forecasts at the date of acquisition, a total of £9.6m (US$12.0m) is management's best estimate of the amount payable within a range of potential outcomes, after taking into account the time value of money. At the year end, this is valued at £9.5m, after unwinding the discount.

Balance sheet

Net assets grew to £65.2m (FY22: £61.2m) as a result of Group trading performance.

Net current assets decreased to £29.0m (FY22: £43.8m), with the reduction due primarily to the acquisition of Betches, offset by trading performance (see cash flow section below).

Trade and other receivables grew to £28.8m (FY22: £20.4m). The majority of the increase relates to a year-on-year rise in trade receivables of £7.6m, which was attributable to delays in recovery of debtors from major media agencies. The Group continues to trade with the major media agency groups and social platforms and whilst the aging profile at the year end has worsened, we are fully confident of their recoverability, which is reflected in the IFRS 9 assessment and supported by the receivables collected since the year end.

Trade and other payables increased to £8.9m (FY22: £4.3m). Trade payables increased by £1.7m to £2.8m, with the increase due primarily to unpaid acquisition costs at the year end.

Accruals increased by £1.3m to £3.2m, mainly relating to an increase in the bonus provisions of £0.7m (FY22: £nil) and Betches accruals of £0.8m (FY22: £nil). Other payables increased by £0.7m to £1.0m driven by a £0.4m increase in cash-settled share based payment liabilities.

Contingent consideration of £9.5m in relation to the acquisition of Betches is recorded at the year end. Further details of this can be found in note 27.

Included in non-current assets are intangible assets of £39.8m (FY22: £15.4m) with the increase related to the acquisition of Betches in October 2023, which gave rise to new intangible assets and goodwill totalling £25.8m. Details of this acquisition can be found in note 27.

Within the year the UK office space was renovated including the fit out of a new Manchester studio at a cost of £0.2m. New lease agreements in London and Manchester completed in the year, the value of these new lease additions under IFRS16 is £2.7m.

Deferred tax liabilities increased by £0.4m in the year to £0.5m (FY22: £0.1m).

Included within reserves movements in the year is a £1.1m currency translation difference (FY22: £29k credit). The increase in the year relates to foreign exchange movements on intercompany loans.

Cashflow and cash position

Cash at the year-end amounted to £15.8m (2022: £29.3m). Cash generated from operations increased to £10.1m (2022: £1.3m), with the prior year being impacted by the settlement of IPO related liabilities and bonuses. Pre-tax adjusted cash conversion was 76% (FY22: 37%).

Net cash outflows due to investing activities increased to £19.6m (2022: £2.2m), driven by the acquisition of Betches for £17.6m (initial cash outlay, net of cash acquired).

Net cash outflows due to financing activities decreased by £0.6m to £0.9m (2022: £1.5m), driven by £0.5m of lease deposits received.

Richard Jarvis
Chief Financial Officer
22 April 2024

The Board has overall responsibility for risk management, which is reviewed regularly to ensure mitigating actions are in place. The principal risks and uncertainties which may impact the Group's performance are set out below.

DEPENDENCY ON DIGITAL ADVERTISING REVENUE

Risk and impact

Digital advertising is a critical source of revenue for the Group. The Group's success depends, in part, on its ability to maintain and expand its relationships with brand advertisers, including the advertising agencies that represent them.

In addition, the Group's digital advertising products face competition for advertising revenues from a variety of sources, such as other international content providers, newspapers, television, radio and other forms of media and social media. The launch of new competing digital services that attract consumers, advertisers or user generated content, or a significant increase in the market share of any of the Group's existing competitors, could lead to a reduction in the Group's digital advertising revenues.

A number of other factors outside of the Group's control could also lead to reductions in the Group's digital advertising revenues. Such factors include: a decline in the popularity of, or demand for, the Group's editorial content or perceptions of the Group's brands and/or publications; a decrease in the price of online advertising generally or the pricing of the Group's offering or competing offerings; and other factors such as the macroeconomic climate, consumer sentiment, advertising regulations and consumer perception of economic conditions in any of the territories in which the Group operates. Additionally, the deprecation of the third party cookie could negatively impact the Group's programmatic advertising revenues.

Mitigation

The Group is well positioned competitively due to its large audience of young adults (typically aged 18 to 34) and works with a diverse range of clients in different industries, sectors and territories, and has successfully retained a significant proportion of key clients each year. The Group also has diversified revenue streams including both direct (client) and indirect (monetisation and programmatic) channels, in multiple territories.

DEPENDENCY ON SOCIAL MEDIA PLATFORMS

Risk and impact

The Group's success as a social media publisher is reliant on the continued popularity of social media as a means of creating, sharing and consuming content. There is a risk to the Group that any of the social media platforms (including Facebook which accounted for 116bn of the Group's 127.8bn views in 2023) with which it engages cease to be a market leader, cease to operate at all, or cease to regard the Group as a preferred partner (for example, the Group has limited contractual assurance as to the duration or terms of its relationships with such social media platforms). Given the Group's significant younger audience, the Group would be adversely affected by a negative change in the perception of social media platforms by young people. Social media platforms may also be subject to adverse publicity and/or legal, regulatory or governmental action that may materially impede the provision of services and infrastructure.

Mitigation

The Group works with a diverse range of social media platforms and has strong relationships with each of them, reducing reliance on any single platform. Further, the Group continues to diversify its portfolio, reducing reliance upon Facebook (for example through the acquisition of Betches which has a predominantly Instagram and podcast led audience, together accounting for 96% of their audience). The Group continues to monitor publicity and legal/regulatory trends to ensure that it keeps ahead of any changes that may impact the Group.

CYBERSECURITY AND SYSTEM INTERRUPTIONS

Risk and impact

Interruptions in the Group's IT systems may result in operational failures and may make the Group's websites temporarily unavailable. In addition, the Group's IT systems rely, in part, on the services of third-party providers, including social media platforms. Any interruptions in the services provided by such third parties, which are outside the control of the Group, would impact the operation of the Group's business and the Group's ability to publish content, reach audiences and generate advertising revenue.

Inadequate performance of the Group's IT systems could also affect the security of the Group's websites. The Group and its service providers might not have the resources or technical sophistication to anticipate or prevent all types of cyberattacks. IT security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by employees or by persons with whom the Group has commercial relationships. Advances in computer capabilities and technology may also increase the frequency, sophistication or likelihood of security breaches. As a result, the Group may, in the future, need to devote significant resources to protect against security breaches or to address problems caused by any such breaches.

Mitigation

The Group reviews and seeks continuous improvement to ensure that robust procedures and controls to mitigate system interruptions in relation to the Group's IT systems. Employees have undertaken cybersecurity training to foster a culture of awareness and compliance.

RELIANCE ON KEY EMPLOYEES

Risk and impact

The Group's future success depends, in part, on its senior management team and long-standing senior employees, who possess a wealth of knowledge of the Group's business, as well as experience within the Group's industry. The loss of any members of senior management or long-standing employees, particularly those with specific knowledge of the business, could harm the Group's business. The overall competence of the Group's workforce is important for the operation of the business and the Group's successful development and growth. The Group faces competition from competitors for qualified personnel and the Group's success is therefore also dependent on its ability to attract, train, motivate and retain highly qualified individuals.

Mitigation

The Group has an experienced senior management team with extensive industry experience and a deep understanding of the Group's business, many of whom are long-standing employees who have taken on additional responsibilities to progress within the Group.

In order to attract and retain the best talent, the Group has a people strategy in place consisting of a variety of measures, including: competitive reward, remuneration and benefit packages; training and development; career progression; mentorship; wellbeing initiatives; and the opportunity to work on innovative and original projects. The Group invests significant time in developing its talent and future leaders, whilst also keeping an eye out for talent outside the Group for when the time comes to bring in new skills and expertise. In 2023 the Group also introduced a retention bonus for employees who remained employed throughout 2023.

We are confident that the three Betches co-founders will remain with the Group for a number of years. Whilst contingent consideration is not based on continued employment, they are incentivised financially to drive business performance.

DATA PROTECTION

Risk and impact

Any data breach by the Group, or any failure to comply with data protection laws, including any historic non-compliance, may result in fines and/or enforcement action from local regulatory authorities and/or claims brought against it by affected third parties, as well as reputational damage.

Mitigation

The Group has established processes and procedures to ensure compliance with data protection laws and best practice, and provisions are included in contracts with third party processors, including suppliers and programmatic partners. The Group also invests in technology and resource to manage privacy risks, supported by the Group's in-house legal function, leveraging external counsel where necessary.

LEGAL AND REGULATORY

Risk and impact

As a listed entity with international subsidiaries, the Group is required to comply with all applicable laws in the jurisdictions in which it operates. Failure to do so could result in enforcement action from regulators, third party claims as well as reputational damage to the Group and its brands.

Mitigation

Significant transactions are subject to scrutiny by the Board. The Group has established processes and procedures to ensure compliance with all applicable laws and is supported by an in-house legal function and external advisors in relevant jurisdictions. Board directors receive annual training on their statutory and fiduciary responsibilities.

This Strategic Report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved and signed on behalf of the Board.

Solly Solomou
Chief Executive Officer
22 April 2024

GOVERNANCE

DAVE WILSON

NON-EXECUTIVE CHAIR

Appointed: December 2021

Dave has over 35 years of international, operational and Board level experience. He spent over 12 years at GB Group Plc, joining as the Group Finance and Operations Director in 2009. During his tenure, Dave successfully completed 14 acquisitions and two divestments and oversaw growth in the market capitalisation from £14m to £1.8bn. Dave currently holds the role of Non-Executive Director and Audit Committee Chair at musicMagpie Plc, and Non-Executive Chair of Knights Group Holdings plc. Previous Board positions have included roles as Chief Financial Officer and Chief Operating Officer of EazyFone Group, Chief Financial Officer at Codemasters and EXI Group, and Chief Operating Officer for a division within Fujitsu.

ALEXANDER 'SOLLY' SOLOMOU

CHIEF EXECUTIVE OFFICER

Appointed: October 2021

Solly co-founded LBG Media in 2012. In the following twelve years, Solly has led the Group and its strategic direction, growing it to a £60m+ turnover business while building a wealth of experience in digital advertising and content creation. Solly was awarded the Ernst & Young Entrepreneur of the Year North award in 2016 and holds a Business Management Degree from the University of Leeds.

RICHARD JARVIS

CHIEF FINANCIAL OFFICER

Appointed: April 2023

Richard has over 25 years' finance experience and joined LBG Media in April 2023. Prior to this, he worked at GB Group plc where he held a number of senior and executive roles including Group Financial Controller, Deputy Finance Director and, from 2019 to 2023, as Group Commercial Finance Director. During his time with GB Group, Richard managed and developed a global finance team across UK, USA and APAC, gained significant international growth and acquisition experience and guided GB Group on performance, commercial opportunities and risks.

KEY

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Committee Chair

CAROL KANE

Non-Executive Director

Appointed: December 2021

Carol co-founded Boohoo Group Plc, a leading online fashion retailer, in 2006. During her time at Boohoo Group Plc, Carol has helped take the company through an AIM listing and has grown the company to a now £2.0bn revenue business. Through her roles at Boohoo Group Plc, Carol has extensive experience working across marketing, product and brand strategy both domestically and abroad.

ALEXANDRA JARVIS

Non-Executive Director

Appointed: December 2021

Alexandra is currently the Chief Strategy Officer and co-founder at Toppan Digital Language, an innovative digital translation technology service provider. Alexandra's roles at Toppan include building value through corporate development, strategic initiatives, mergers and acquisitions, finance, and governance. Alexandra previously worked for SDL plc, an LSE Main Market company, as the Senior Vice President and Executive Board member for Strategy, M&A, IR and Corporate Marketing. Prior to joining SDL plc, Alexandra was a Partner at Peel Hunt LLP, a UK-based investment bank, where she was the senior equity analyst for the technology sector.

RICHARD FLINT

Non-Executive Director

Appointed: December 2021

Richard has over 20 years' experience in online businesses, formerly serving as Executive Chair of Sky Betting & Gaming and prior to this appointment in October 2018, Richard served as Chief Executive Officer of Sky Betting & Gaming for ten years. During his tenure at Sky Betting & Gaming, he was awarded a number of high profile awards, including the Compliance Lifetime Achievement Award at the global regulatory awards in 2020, and Glassdoor's No.1 CEO in 2018. Richard currently holds the role of Non-Executive Director at FTSE 100 company Flutter Entertainment Plc, is Chairperson of Butternut Box, Chairperson of Seat Unique and was a former Non-Executive Director of Welcome to Yorkshire.

KEY

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Committee Chair

MAINTAINING & VALUING HIGH STANDARDS

On behalf of the Board, I am pleased to introduce the Group's Corporate Governance Report for the financial year ended 31 December 2023.

The Board recognises the value and importance of high standards of corporate governance. We aim to apply these in a manner which is most suited to the Group's ambitions and culture, and best addresses the Board's accountability to shareholders and other stakeholders.

The Group voluntarily observes the requirements of the Quoted Company Alliance's Corporate Governance Code (2018) (the '**QCA Code**') as the Board feels that this is most appropriate for the Group's size and stage of development.

In this section of our report we have set out how our governance framework underpins our day-to-day activities and decisions, and provided further insight into how the Board and Committees operate.

Dave Wilson
Chair
22 April 2024

The Directors support a high standard of Corporate Governance and believe that the QCA Code provides the Group with the framework to help ensure that a strong level of governance is maintained, enabling the Group to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders.

Principle 1

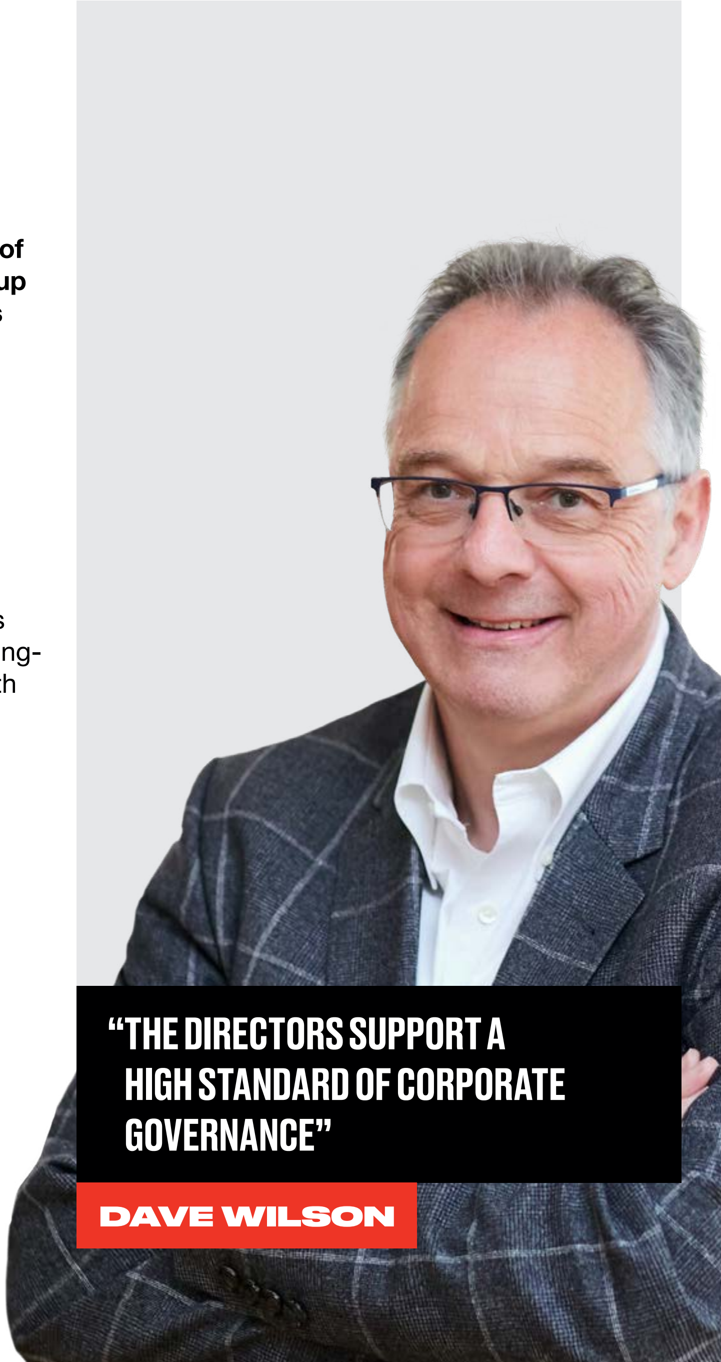
Establish a strategy and business model which promote long-term value for shareholders

The Directors believe that the Group's business model and growth strategy helps to promote long-term value for shareholders. The Group's growth strategy focuses on three key pillars:

- Geographies;
- M&A; and
- Capabilities.

More details on our Growth Strategy can be found on pages 18 to 23.

The principal risks facing the Group are set out on pages 45 to 47. The Directors take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks.



"THE DIRECTORS SUPPORT A HIGH STANDARD OF CORPORATE GOVERNANCE"

DAVE WILSON

Principle 2

Seek to understand and meet shareholder needs and expectations

The Board is committed to engaging with shareholders to ensure that the business strategy, operating model, and performance are clearly understood and communicated. Shareholders are be kept up to date via Regulatory Information Service announcements on matters of a material substance and/or a regulatory nature. Updates are provided to the market from time to time, including any financial information, and any expected material deviations to market expectations are announced via a Regulatory Information Service. The Group's AGM is an opportunity for shareholders to meet with the Non-Executive Chair and other members of the Board. The meeting is open to all shareholders, giving them the option to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM votes are announced via a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored. The Group intends to engage with shareholders where votes are not in favour of resolutions at the AGM to understand their motivation.

The Board actively encourages feedback from shareholders and the wider investor community. There is a designated email address for investor relations, investors@ladbiblegroup.com, and all relevant contact details are included on the Group's website.

Principle 3

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

The Group takes corporate social responsibilities, including ESG, very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders, employees, customers, suppliers and the communities in which the Group operates, in order to achieve long-term success.

The Group has established a number of initiatives to support the development and welfare of its employees. The Directors believe that key to the success of the business is promoting strong social values, including the importance of promoting inclusion, diversity and equality to its community of followers. The Group regularly seeks feedback from its audience and wider stakeholders to maintain an inclusive culture and implement best working practices.

The Directors maintain an open and ongoing dialogue with its stakeholders to help promote the long-term success of the Group and seeks to actively engage with them to regularly inform and influence better decision making.

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board continues to ensure that the Group has effective risk management processes and an embedded system of internal control. The risks involved and the specific uncertainties for the Group are regularly monitored through a strategic risk register reviewed by the Board at each Board meeting.

Where necessary, the Board draws on the expertise of appropriate external consultants or advisers to assist in dealing with or mitigating risk. The Group, with support from the Board and Audit Committee, is working on updating the Group risk management process in 2024.

Principle 5

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

The Board is comprised of the Non-Executive Chair, three Non-Executive Directors and two Executive Directors. Executive Directors work full time. The Chair is contracted to work 42-54 days per annum. Other Non-Executive Directors are contracted to work 12 days per annum.

The biographies of the Directors are set out on pages 49 and 50. The Non-Executive Chair is Dave Wilson, and the Non-Executive Directors are Carol Kane, Alexandra Jarvis and Richard Flint. All Non-Executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. The shareholdings held by the Non-Executive Directors are immaterial and therefore based upon the judgement of the Board they are independent. Non-Executive Director independence will be reviewed annually.

The Board is also supported by the Audit Committee, the Remuneration Committee and the Nomination Committee. The Nomination Committee keep the composition of the Board under regular review, taking into account the relevant skills, experience, independence, knowledge and gender balance of the Board. The Non-Executive Directors will be subject to retirement by rotation at every third AGM of the Group.

The Board meets regularly and holds at least six Board meetings a year. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional Executive and Non-Executive Directors as the Group fulfils its growth objectives. In 2023, the Board met six times.

Principle 6

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

The skills and experience of the Directors are summarised in their biographies set out on pages 49 and 50.

The Directors believe that the Board has the appropriate balance of diverse skills and experience to deliver on its core objectives. Experiences are varied and contribute to maintain a balanced Board that has the appropriate level and range of skill to assist the Group's strategy and growth objectives. The Chair and the Non-Executive Directors provide additional experience in operating in public market companies, have recent governance experience and each offer wider business skills which help to strengthen the Board and widen its capabilities.

The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to a meeting, democratically. The Directors have also received a briefing from the Group's Nominated Adviser in respect of continued compliance with the AIM Rules for Companies.

The Board and Committees receive training as appropriate, including technical updates on the latest accounting, auditing, tax, and reporting developments. The balance of skills of the Board is reviewed at least on an annual basis. The Board has access to professional advisers at the Group's expense if necessary. The Board maintains its skillset through regular updates and training sessions provided by its advisors.

Date of Board Meeting	Board Member Attendees
26 January 2023	All Directors attended*
30 March 2023	All Directors attended*
15 June 2023	All Directors attended*
26 July 2023	All Directors attended
12 October 2023	All Directors attended
30 November 2023	All Directors attended

* Arian Kalantari, the Group's former Chief Operating Officer, took a sabbatical at the beginning of 2023 and was therefore not present at the board meetings from January to June, subsequently taking the decision to not return to the Group.

Principle 7

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

The Directors will consider seriously the effectiveness of the Board, Audit Committee, Nomination Committee, Remuneration Committee, and individual performance of each Director.

The Group intends to establish a formal process for the regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. Until then, the Non-Executive Chair is responsible for ensuring an effective Board.

Principle 8

Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its employees and other stakeholders and recognises that sound ethical values and behaviours are critical in creating an environment in which employees feel valued and can be most effective. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all their internal and external dealings. Evidence of this can be found in our ESG report on pages 27 to 34.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group. The Group incorporates the promotion and reward of demonstrating strong ethical values and behaviours as part of its people processes.

The Group culture is set by the Board and is regularly considered and discussed at Board meetings.

Principle 9

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

The Non-Executive Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the Executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee, Nomination Committee and Remuneration Committee. There are certain material matters which are reserved for consideration by the full Board.

The Board reviews the Group's governance framework on an annual basis, co-ordinated by the Audit Committee, to ensure it remains effective and appropriate for the business going forward.

Principle 10

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

The Board recognises that engagement with all stakeholders is key to the ongoing success of the Group and is a central part of the ongoing management of the business.

The Annual Report and Accounts as well as the Group's half year reports are key communication channels through which progress in meeting the Group's objectives and updating its strategic targets are updated to shareholders.

Additionally, the Board uses the Group's AGM as a primary mechanism to engage directly with shareholders, to give information and receive feedback about the Group and its progress, while also engaging with its Nominated Adviser, Joint Corporate Brokers and investor relations advisers to assist in shareholder feedback and interaction. The Board receives regular updates on the views of shareholders from these advisers.

There is also a designated email address for investor relations, investors@ladbiblegroup.com, and all contact details are included on the Group's website.

Key objectives

The Nomination Committee supports the Board in Executive and non-Executive succession planning. Our key objectives as a Nomination Committee are:

- to ensure that the Board has individuals with the necessary range of skills and knowledge and diversity of experiences to lead the Company; and
- to make sure that there is appropriate consideration given to Board succession planning.

Key responsibilities

- ensuring succession plans are reviewed regularly; and
- considering diversity on the Board and in the pipeline for senior management roles.

Key areas of focus in 2023

- Oversight of the Executive Leadership Team's (ELT) development and succession planning.

I am pleased to present this review of the activities of the Nomination Committee during 2023. The Committee is made up of four Non-Executive Directors: I act as Committee Chair, with my colleagues Dave Wilson, Alexandra Jarvis and Richard Flint comprising the Committee. We are all considered independent non-executive directors based on the judgement of the Board, as the shareholdings and options we hold are immaterial.

The Nomination Committee meets at least once a year and otherwise as required.

Board changes in the year

Tim Croston, outgoing CFO, resigned from the Board on 12 April 2023.

Richard Jarvis, incoming CFO, was appointed to the Board on 12 April 2023. The Committee ultimately determined that Richard was the best candidate for the Group, taking into consideration the specific skills and experience that he brings to the Board.

Arian Kalantari, COO, resigned from the Board on 25 July 2023. I would like to thank him for his contribution to the Group. His responsibilities have been distributed amongst the wider senior leadership team.

ELT succession planning

During 2023, there were several changes to the Board, including a change in Chief Financial Officer (CFO). The Committee ensured that a rigorous process was conducted the new CFO's appointment. During the year, the Committee also discussed Board structure and succession plans for executive directors. The Committee will continue to keep a watching brief on the market and potential talent and will continue to monitor the ELT and senior management talent pool to ensure that succession planning for business-critical roles is proactively reviewed and to ensure the development of a diverse pipeline for succession for the Board and the ELT.

The focus for 2024 will be to keep the composition of the Board under regular review, taking into account the relevant skills and experience of the Board.

Carol Kane
Chair of the Nomination Committee
22 April 2024

Nomination Committee Member	Member Since
Carol Kane (Chair)	2021
Dave Wilson	2021
Alexandra Jarvis	2021
Richard Flint	2021

"I AM PLEASED TO PRESENT THIS REVIEW OF THE ACTIVITIES OF THE NOMINATION COMMITTEE"

CAROL KANE

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Membership and Attendance

The Audit Committee is comprised of the four Non-Executive Directors and I act as Chair. The Board is satisfied that the Audit Committee has relevant and recent financial experience. The Audit Committee members also have a wide range of executive experience to support our broader discussions about risk management.

Three Audit Committee meetings were held in the year, with the attendees indicated in the table opposite.

The Executive Directors and other senior management are invited to attend the Committee meetings when relevant.

Aims of the Committee

The general aims of the Audit Committee are to:

- Increase shareholder confidence in, and the credibility and objectivity of, published financial information;
- Ensure that the financial performance, position and prospects of the Group are properly monitored and reported on;
- Assist the Board in meeting its financial reporting responsibilities and ensure that the Group's published financial statements comply with all applicable statutory requirements and accounting standards;
- Support the independent position of the auditor by providing channels of communication between them and the Non-Executive Directors; and
- Review the performance of the auditor.

The Audit Committee's activities are guided by its terms of reference, which are available on the Group's investor website.

2023 performance against aims

Although external market conditions remained challenging, performance over the year was relatively more predictable and less heavily dependent on the fourth quarter than the prior year. Nevertheless, performance is still second half weighted and performance towards the end of the year was slightly below original market expectations.

The Audit Committee, together with the Board, continues to discuss ways to improve the predictability of performance in relation to market expectations.

Audit Committee Member	Number of Meetings Attended
A Jarvis (Chair)	3
R Flint	1
D Wilson	3
C Kane	1

Significant issues

The Committee, external auditors and management considered the following issues to be significant in relation to the 2023 financial statements:

Matters considered	Conclusion
Revenue recognition and the risk of material misstatement	Based on the auditor's testing procedures performed, the revenue recognition policy was found to be in line with the applicable accounting standards and the recognition of revenue in the year to be appropriate.
Acquisition accounting related to the acquisition of Betches	Based on the procedures performed by the auditor, the auditor considered the judgements and estimates made by LBG Media management to be reasonable.

External audit

The Audit Committee monitors the independence and objectivity of the external auditor, BDO. It is our policy that BDO shall not be engaged to perform any non-audit services following the IPO. As Chair, I meet with the auditor without the presence of the Executive Directors at least once a year and maintain an open channel between the auditor and the Non-Executive Directors. BDO has been the Group's auditor since year-end 2020 and the Committee is satisfied with its independence and effectiveness. Partner rotation is due to take place following the next audit. The Committee's policy is to open external audit services to tender at least every ten years.

Internal audit

The Group does not currently have an internal audit function. During the year, the Audit Committee discussed the priority areas of review with the Executive Directors, which were agreed to be: core financial controls, cyber and information security and the risk register.

Whistleblowing and Anti-Bribery and Corruption

The Committee reviewed the Group's whistleblowing and anti-bribery and corruption policies and procedures and considered them to be adequate and operating effectively. No whistleblowing reports or reports of non-compliance have been received by the Committee.

Alexandra Jarvis
Chair of the Audit Committee
22 April 2024

The Remuneration Committee remains committed to ensuring that the remuneration package for our Executive Directors, and wider workforce, is market competitive and incentivises the delivery of strong operational and financial performance to support the achievement of overall business objectives. The four main elements of the annual remuneration package for Executive Directors are a base salary, benefits (including pension or cash in lieu), a cash-based annual bonus and a long-term share incentive. Details on each of these elements are set out in this report.

Board changes during 2023

As outlined elsewhere in the Annual Report and Accounts, the Board was pleased to welcome Richard Jarvis as successor to Tim Croston in April 2023. Richard's salary was set at £236,250 and his other terms are in line with the policy set out on the next page. He also received a buyout award in 2024 to compensate him for awards forfeited on resignation from his previous employer – further details are set out on page 63. Tim remained in the business to support the handover to Richard and remains employed with the Company as an advisor. In addition, as announced on 26 July 2023, Arian Kalantari stepped down from the Board with immediate effect. Following the respective resignations of Arian Kalantari and Tim Croston, their share awards will now only vest pro rata in line with their service period as Directors.

Annual bonus outcomes for 2023

The annual bonus opportunity for the Executive Directors for 2023 was 75% of salary. Outcomes were primarily based on revenue and Adjusted EBITDA performance. The Committee awarded bonuses of 41.5% and 46.4% to the CEO and CFO respectively.

Long term incentive for 2023

During the year, the Group conducted a review of long term incentive awards to members of the senior management team to continue to ensure they remain fit for purpose as the Company matures as a listed business since the float in December 2021. As part of this exercise, the Committee considered the appropriate long term incentive awards for the Executive Directors. Awards to members of the senior management team were agreed in May 2023, however due to M&A activity, the awards to Executive Directors were granted in January 2024. Further details are set out in this report.

Remuneration for 2024

The CEO and CFO will receive salary increases of 1.9% (to £267,500) and 1.59% (to £240,000) respectively for 2024, below the wider workforce budget of 4%.

The maximum bonus opportunity for the Executive Directors will be 80% of salary for 2024. Awards will be determined based on performance against stretching financial and strategic targets.

The Committee will consider the approach to long-term incentive awards for 2024 for the Executive Directors during the year.

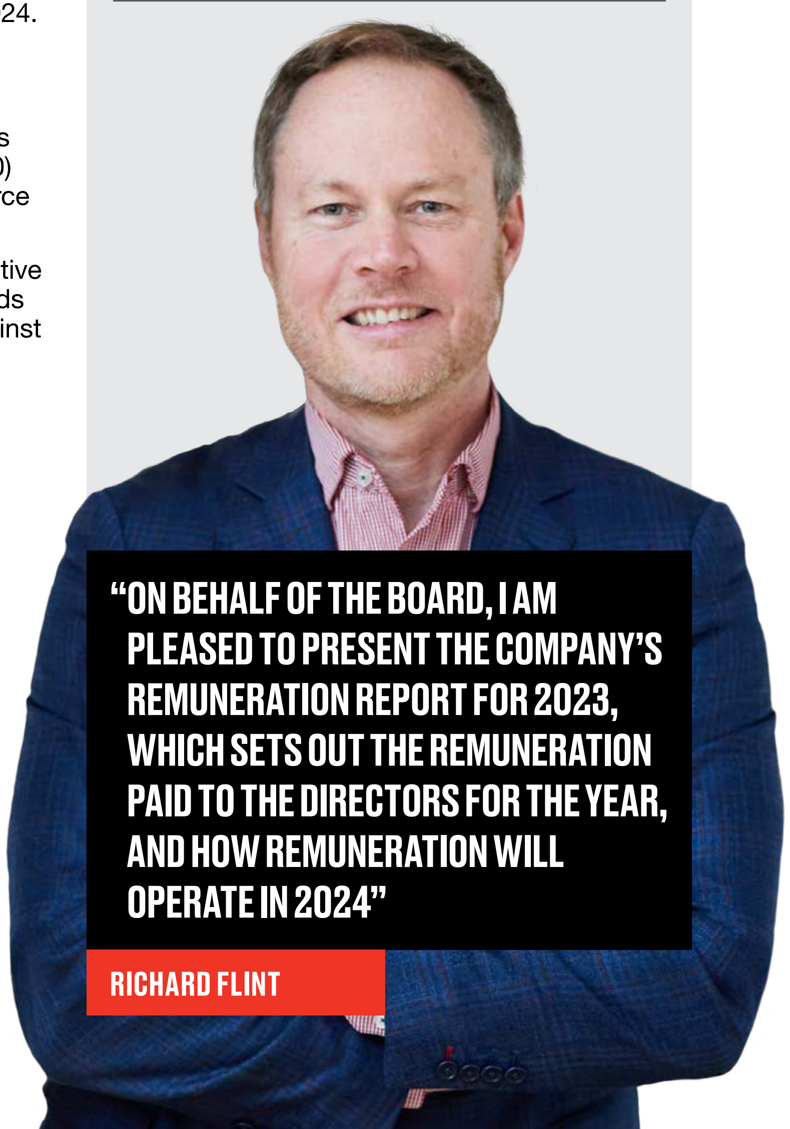
Attendance at Remuneration Committee meetings

The Committee met once in 2023, and all relevant Committee members were present at the meeting.

I hope that you find the information in this report helpful and informative. We welcome any comments or questions that you may have on this report or generally in relation to the Company's remuneration – you can contact me via the Company Secretary.

Richard Flint
Chair of the Remuneration Committee
22 April 2024

Remuneration Committee Member	Number of Meetings Attended
Richard Flint (Chair)	1
A Jarvis	1
D Wilson	1
C Kane	1



"ON BEHALF OF THE BOARD, I AM PLEASED TO PRESENT THE COMPANY'S REMUNERATION REPORT FOR 2023, WHICH SETS OUT THE REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR, AND HOW REMUNERATION WILL OPERATE IN 2024"

RICHARD FLINT

Remuneration policy

Composition of the Committee

The Committee members since IPO have been Richard Flint (Chair), Dave Wilson, Carol Kane and Alexandra Jarvis. The Committee will normally meet twice a year to review the remuneration of the Executive Directors.

Remuneration policy for 2023 – Executive Directors

The Committee's overall approach is focused on ensuring the Company's remuneration policy is aligned with shareholders' interests whilst also enabling the Group to attract, retain and motivate high quality executive management. The key objectives of the Group's remuneration policy are to:

- align Executive and shareholder interests;
- underpin an effective pay-for-performance culture; and
- support retention, motivation and recruitment of talented people.

The table below summarises the key elements of the remuneration policy for Executive Directors for the 2023 financial year:

Element and link to strategy	Operation	Maximum potential value	Performance conditions
Base salary and benefits Supports the recruitment and retention of Executive Directors, reflecting their roles skills and experience.	Salaries are reviewed annually and any changes are normally effective from 1 January in the financial year. The Executive Directors receive benefits which include, but are not limited to, family private health cover, death in service life assurance and travel expenses for business-related travel.	Base salaries will be set at an appropriate level with a comparator group of comparable sized listed companies and will normally increase with increases made to the wider employee workforce. The value of benefits are not capped.	N/A
Pension Supports recruitment and retention of Executive Directors.	The Committee retains discretion to provide pension funding in the form of a salary supplement or a direct contribution to a pension scheme. Any salary supplement would not form part of the salary for the purposes of determining the extent of participation in the Company's incentive arrangements.	Pension funding for the Executive Directors is aligned with the wider workforce, currently equal to 3% of base salary.	N/A
Annual bonus Rewards the Executive Directors for delivering on key strategic and financial goals, encouraging performance of the business.	Annual bonuses are paid in cash, with no deferral into shares.	Maximum opportunity of 75% of base salary.	The annual bonus is based on a blend of financial and non-financial metrics which are aligned to the business strategy.

Element and link to strategy	Operation	Maximum potential value	Performance conditions
LBG Media plc Long Term Incentive Plan (‘LTIP’) To incentivise and reward long-term performance and value creation. To align the interests of Executives and shareholders in the long term.	LTIP awards may be granted annually. LTIP awards will typically vest at the end of a three-year period subject to the Executive Directors’ continued employment and satisfaction of the performance conditions.	Maximum opportunity of 675% of base salary.	The LTIP awards are typically subject to financial targets measured over three financial years.
LBG Media plc Share Incentive Plan (‘SIP’) To encourage equity ownership across all employees and create a culture of ownership.	The Company offers a HMRC approved SIP scheme for all employees. The operation of this plan will be at the discretion of the Committee, and Executive Directors will be eligible to participate on the same basis as other employees.	Maximum permitted based on HMRC limits from time to time.	N/A
LBG Media plc Save As You Earn Plan (‘SAYE’) To encourage equity ownership across all employees and create a culture of ownership.	The Company intends to implement a SAYE scheme for all employees. The operation of these plans will be at the discretion of the Committee, and Executive Directors will be eligible to participate on the same basis as other employees.	Maximum permitted based on HMRC limits from time to time.	N/A

Remuneration Policy for 2023 – Non-Executive Directors

The Non-Executive Directors have entered into letters of appointment with the Company, which may be terminated by either party giving one month’s written notice. The Non-Executive Directors receive a fixed fee for their role (determined by the Board) and do not receive any other elements of remuneration.

Annual Report on Remuneration

The following table summarises the total remuneration of the Directors who served during the financial year to 31 December 2023 (with figures for the financial year ending 31 December 2022 provided for comparison). Note that the Executive Directors waived their salary in the final 4 months of 2022, coinciding with the restructuring process.

	Salary / fees		Benefits[1]		Pension		Bonus		Other		Total	
£'000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Executive Directors:												
Alexander 'Solly' Solomou	**263**	175	**1**	1	**–**	–	**109**	–	**–**	–	**373**	176
Richard Jarvis[2,5]	**170**	–	**–**	–	**5**	–	**79**	–	**–**	–	**254**	–
Arian Kalantari[3,7]	**134**	158	**–**	1	**–**	–	–	–	**–**	–	**134**	159
Tim Croston[4,7]	**66**	158	**1**	3	**2**	5	–	–	**–**	–	**69**	166
Non-Executive Directors:												
Dave Wilson[6]	**150**	150	**–**	–	**–**	–	**–**	–	**–**	–	**150**	150
Richard Flint	**70**	70	**–**	–	**–**	–	**–**	–	**–**	–	**70**	70
Carol Kane[6]	**70**	70	**–**	–	**–**	–	**–**	–	**–**	–	**70**	70
Alexandra Jarvis	**70**	70	**–**	–	**–**	–	**–**	–	**–**	–	**70**	70

1. The benefits for the Directors relate to private medical health insurance.
2. Richard Jarvis joined the Company on 11 April 2023 was appointed to the Board on 12 April 2023.
3. Arian Kalantari stepped down from the Board on 25 July 2023. He will continue to be paid by the Group until the end of his notice period in July 2024. The aggregate amount of payments for loss of office within the year totalled £102k, with £134k to be paid in 2024.
4. Tim Croston stepped down from the Board on 12 April 2023 and his remuneration in the table above is included up to this date. Tim continues his employment with the Group, following working his 12-month notice period, on a part-time basis as an advisor.
5. Richard Jarvis was granted a buyout award over 274,509 shares to compensate him for awards forfeited on resignation from his previous employer. The awards will vest on 11 April 2025 subject to continued employment. The awards were granted in January 2024 so have not been included in the above table. The value of the awards on the grant date (15 January 2024) was £203,137 based on the closing share price of 74p on that date.
6. Dave Wilson and Carol Kane were granted share awards prior to the Group's IPO in 2021 which vested on the second anniversary of Group's admission to AIM subject to continuing to serve as a Non-Executive Director until that time, as set out in the Admission Document dated 7 December 2021. Based on the number of shares subject to the option and the Company's share price at the vesting date (87.5p), the value for Carol Kane is £1,250,000 and the value for Dave Wilson is £901,711.
7. Following the respective resignations of Arian Kalantari and Tim Croston, their share awards will now only vest pro rata in line with their service period as Directors.

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2023 Annual Bonus

The annual bonus opportunity for the Executive Directors for 2023 was 75% of salary.

Outcomes were based on an assessment of revenue and Adjusted EBITDA performance compared to targets set by the Committee at the beginning of the year, taking into account broader business performance and progress on strategic initiatives.

The Committee determined that the annual bonus awards for the Executive Directors in respect of 2023 were as follows:

- Alexander 'Solly' Solomou: 41.5% of salary, equivalent to £109,063
- Richard Jarvis: 50.1% of salary, equivalent to £79,000 (based on a pro-rata opportunity for 2023)

2023 Long term incentive awards

As noted earlier in this report, the Group conducted a review of long term incentive awards to members of the senior management team. As part of this exercise, the Committee considered the appropriate long term incentive awards for the Executive Directors. Awards to members of the senior management team were agreed in May 2023. However, although the Committee set the performance targets and determined the number of shares subject to the Executive Directors' awards at the same time as the wider management team, due to M&A activity, awards to Executive Directors were granted on 15 January 2024.

The awards for the Executive Directors, granted in the form of nil cost options, are subject to the satisfaction of stretching performance conditions measured over a three year performance period (1 January 2023 to 31 December 2025) and continued employment. The awards consist of a 'Base Award' (which will vest subject to stretching financial targets) and a 'Stretch Award' (which will vest subject to stretching total shareholder return targets of 30% and 50% CAGR over a three year performance period ending on 31 December 2025).

	Number of shares		
	Base Award	Stretch Award	Total
Alexander 'Solly' Solomou	627,990	627,990	**1,255,980**
Richard Jarvis	565,191	565,191	**1,130,382**

Further details on the company's share schemes are set out in Note 20 to the financial statements.

Buyout award for Richard Jarvis

The Committee agreed to grant a buyout award to Richard Jarvis to compensate him for awards forfeited on resignation from his previous employer. As a result, Richard Jarvis was granted an award over 274,509 shares, which will vest on 11 April 2025 subject to continued employment. These awards were granted on 15 January 2024.

Directors' share interests

The table below sets out the Directors' share interests as at 31 December 2023 (or date of stepping down from the Board if earlier). As the 2023 LTIP awards outlined above were not granted until January 2024, these awards are not included in this table.

	Shares owned outright[1]	Awards subject to performance conditions (Options)	Awards not subject to performance conditions (Options)	NED awards (Options vested but not exercised)	Total share scheme interests	Total interests in shares
Executive Directors:						
Alexander 'Solly' Solomou	86,677,999[2]	321,428	–	–	321,428	86,999,427
Richard Jarvis	20,037	–	22,263	–	22,263	42,300
Arian Kalantari[3]	5,544,286	268,340	–	–	268,340	5,812,626
Tim Croston[4]	943,454	254,727	–	–	254,727	1,198,181
Non-Executive Directors:						
Dave Wilson	398,044	–	–	1,030,527	1,030,527	1,428,571
Richard Flint	57,142	–	–	–	–	57,142
Carol Kane	–	–	–	1,428,571	1,428,571	1,428,571
Alexandra Jarvis	23,920	–	–	–	–	23,920

1. Including shareholdings of closely associated persons.
2. The interests of Alexander Solomou include 82,163,713 Shares held by Solo Investments Holdings Limited (formally LAD Investments Limited), a company of which Alexander Solomou is a director and the sole shareholder and 4,514,286 held in his own name.
3. Arian Kalantari stepped down from the Board on 25 July 2023. His figures are presented as at that date.
4. Tim Croston stepped down from the Board on 12 April 2023. His figures are presented as at that date.

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Implementation of remuneration policy in 2024

We summarise below the Executive Director salaries, pension levels and incentive opportunities for the financial year ending 31 December 2024:

Base salary

- Alexander 'Solly' Solomou: £267,500 (+1.9%, below the wider workforce budget of 4%)
- Richard Jarvis: £240,000 (+1.6%, below the wider workforce budget of 4%)

Pension

- 3% of base salary (no change)

Annual bonus

The maximum bonus opportunity for the Executive Directors will be 80% of salary for 2024. Awards will be determined based on performance against stretching financial and strategic targets. The actual performance targets are not disclosed as they are considered to be commercially sensitive. Awards will be paid in cash.

LTIP

The Committee will consider the approach to long term incentive awards for 2024 for the Executive Directors during the year. Details of any awards granted during the year will be set out in an RNS at the time of grant and in next year's Remuneration Committee report.

Non-Executive Director fees

- Chair fee: £150,000
- Non-Executive Director fee: £70,000

Richard Flint
Chair of the Remuneration Committee
22 April 2024

The Directors present their report together with the audited financial statements of the Group and the Parent Company for the year ended 31 December 2023.

Principal activities

The principal activity of the Group continued to be that of an online media publisher.

Business review and future developments

A review of the performance of the Group during the year, including principal risks and uncertainties and comments on future developments, is given in the Strategic Report.

Key performance indicators ('KPIs')

Details of our key performance indicators can be found in the CFO's Review on pages 41 to 44.

Results and dividends

The Group recorded revenue in the year of £67.5m (2022: £62.8m) and profit after tax of £1.7m (2022: £5.3m).

No dividends £nil (2022: £nil) were declared, proposed or paid in the year.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Name of director	Date appointed
A Solomou	21 October 2021
R Jarvis	12 April 2023
D Wilson	7 December 2021
A Jarvis	7 December 2021
R Flint	7 December 2021
C Kane	7 December 2021

All the Directors are subject to re-election by the shareholders at the forthcoming Annual General Meeting following their appointment during the year.

The Directors who held office during the year and at 31 December 2023, had the following interests in the Ordinary shares of the Group.

Name of director	Number
A Solomou	86,677,999
D Wilson	398,044
R Flint	57,142
A Jarvis	23,920
R Jarvis	20,037
C Kane	–

Tim Croston resigned from the Board on 12 April 2023 and had 943,454 shares at 31 December 2023. Arian Kalantari resigned from the Board on 25 July 2023 and had 5,544,286 shares at 31 December 2023.

In addition to the interests in Ordinary shares shown above, the Group operates a number of option incentive plans. Certain employees and Directors of the Group were granted share options under these plans, further details of which can be found in the Remuneration Committee Report on page 58.

The market price of the Group's shares at the end of the financial year was 81.20p (2022: 121.50p) and the range of prices during the year ended 31 December 2023 was between 69.00 and 124.00p. During the year, Richard Jarvis purchased 20,037 shares in the Group.

Details on related party transactions with Directors are provided in Note 24 of the Group financial statements.

Directors' indemnities and insurance

The Group has made qualifying third-party indemnity provisions for the benefit of the Directors, which were in force during the year and up to the date of this report.

Substantial shareholdings

As at 28 March 2024, the Group has been advised, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of the following notifiable interests in 3% or more of its voting rights:

Shareholder	No. of ordinary shares	% of issued share capital
A Solomou*	86,677,999	41.46%
Makkma Investments Limited**	41,702,074	19.95%
abrdn (Standard Life)	16,788,878	8.03%
Canaccord Genuity Wealth Mgt	11,397,903	5.45%
Slater Investments	7,916,137	3.79%
Chelverton Asset Mgt	7,000,000	3.35%

* The interests of Alexander Solomou include 82,163,713 Shares held by Solo Investments Holding Limited (formally LAD Investments Limited), a company of which Alexander Solomou is a director and the sole shareholder and 4,514,286 held in his own name.

** These figures include 769,296 Shares held by members of Mahmud Kamani's family. Mahmud Kamani is the controlling shareholder of Makkma Investments Limited.

Subsequent events

Details of subsequent events are disclosed in Note 26.

Financial risk management

Information relating to the principal risks and uncertainties of the Group are included within the Strategic Report. The financial risk management policies are disclosed within Note 22.

Employees

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in its performance. Further details are disclosed within the Section 172 statement on page 35.

The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Engagement with suppliers, customers and others in a business relationship with the Company

Details of how Directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year are disclosed within the Section 172 statement on page 35.

Political donations

The Directors confirm that no donations for political purposes were made during the year £nil (2022: £nil).

Share capital and voting

The Company has one class of equity share, namely £0.001 Ordinary shares. The Ordinary shares have full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable. The rights and obligations attaching to these shares are governed by the Companies Act 2006 and LBG Media's Articles.

As at 31 December 2023, LBG Media's issued share capital comprised 206,620,642 Ordinary £0.001 shares totalling £206,621.

Rules governing the appointment and replacement of Directors are contained within the Articles of Association, a copy of which is located on the Group's website at www.lbgmedia.co.uk.

Corporate Governance

The Group's statement on Corporate Governance can be found in the Corporate Governance Report which is incorporated by reference and forms part of this Directors' Report.

Going concern

The Group generated profit after tax of £1.7m during the year ended 31 December 2023 (2022: £5.3m) and, at that date, the Group's total assets exceeded its total liabilities by £65.2m (2022: £61.2m) and it had net current assets of £29.0m (2022: £43.8m). Cash generated from operations in the year was £10.1m (2022: £1.3m).

The financial statements for the Group and Parent Company have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered the principal risks set out on pages 45 to 47. Under a worst-case scenario considered, which is severe and considered highly unlikely, the Group remains liquid for a period of 12 months from the date of reporting and the Directors therefore believe, at the time of approving the financial statements that the Group is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

The financial position remains robust with cash of £15.8m available to the Group and no debt (excluding IFRS 16 lease liabilities) and therefore no bank covenants in place. Our base case scenario has been prepared using a budget that considers both the challenges and opportunities faced by the business. Due to the strength of the Group's balance sheet and market outlook, the Directors believe there is no material uncertainty around going concern.

To this end a reverse stress test scenario has also been modelled, whereby 60% of budgeted revenue from April 2024 was removed within the Group up to June 2025 with no change to costs assumptions in response, resulted in cash reducing to nil in March 2025.

Acquisitions

On 17 October 2023, the Group acquired the entire share capital of Betches for total consideration of £29.2m. Betches is a US-based media brand founded by women and focused on digital media content production and publication for women. Details of the acquisition can be found in Note 27.

Streamlined Energy and Carbon Report ('SECR')

The Streamlined Energy and Carbon Reporting ('SECR') regulations were implemented on 1 January 2020. This report considers relevant energy and carbon usage for the period from 1 January 2023 to 31 December 2023. The information in this report relates to the UK only.

To calculate the information in the tables presented below, management have used source documents such as travel expenses and invoices to make reliable calculations of CO_2 emissions and energy consumption.

Reporting parameters

The reporting parameters are the financial year ended 31 December 2023 and cover the operations of the Group. The main energy usage for the Group is grid electricity within the offices, given there is no requirement for further energy usage.

The reporting intensity ratio used is tonnes of CO_2 emissions per £k turnover. It is considered that this provides the best representation of activity, in line with other SECR reporting and industry standards.

Energy consumption and greenhouse gas emissions	kWh/ annum (year ended 31/12/2023)	kWh/ annum (year ended 31/12/2022)
Total electricity and gas	**211,464**	190,838
Total transport	**730,556**	259,052
Total	**942,020**	449,890

Increase in kWh year on year largely due to increased air travel in connection with the acquisition of Betches and operating model changes in ANZ, coupled with increased office space in the UK.

Note that all of the emissions above are scope 2. There are no scope 1 emissions. Further, electricity and gas emissions are combined as these records are received combined from the landlords of the properties occupied in the UK.

We have not taken any measures to increase energy efficiency in the year.

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Intensity ratio

The energy intensity metric being reported is tCO_2 e/£k turnover and the results are shown below.

	Emissions $kgCO_2e$/annum	Turnover £k	Intensity ratio t/CO_2e/£k turnover
Year ended 31/12/2023	**195,065**	**67,510**	**0.2889%**
Year ended 31/12/2022	104,888	62,809	0.1670%

Disclosure of information to auditors

In the case of each Director in office at the date the Directors' Report is approved:

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

Independent auditor

The auditor, BDO LLP, has indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the AGM.

The Directors' Report was approved on behalf of the Board on 22 April 2024.

By order of the Board

Richard Jarvis
Chief Financial Officer
22 April 2024

20 Dale Street, Manchester, M1 1EZ
Registered number: 13693251

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

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Richard Jarvis
Chief Financial Officer
22 April 2024

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Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LBG Media plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity and notes to the financial statements, including a summary of material and significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- challenging the rationale for the assumptions used in the forecasts, using our knowledge of the business and the sector and wider commentary available from stock market analysts and impact of key events in the future;
- considering the appropriateness of the Directors' forecasts by testing their mathematical accuracy, assessing historical forecasting accuracy and understanding the Directors' consideration of downside sensitivity analysis and reverse stress testing;
- reperforming sensitivities on the Directors' base case and stressed case scenarios, considering the likelihood of these occurring and understanding and challenging the mitigating actions the Directors' would take under these scenarios; and
- assessing the going concern disclosures against the requirements of the accounting standards, and assessing the consistency of the disclosures with the Directors' forecasts and assessment.

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

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

Overview

Coverage	84% (2022: 100%) of Group profit before tax		
	97% (2022: 98%) of Group revenue		
	98% (2022: 94%) of Group total assets		
Key audit matters		2023	2022
	Revenue Recognition	✓	✓
	Acquisition accounting	✓	
Materiality	Group financial statements as a whole		
	£330k (2022: £360k) based on 5% (2022: 5%) of profit before tax adjusted for acquisition costs (2022: profit before tax)		

An overview of the scope of our audit

The Group operates predominantly from the UK, with operations in Australia, the USA, Ireland and New Zealand.

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Our Group audit scope focused on the Group's main trading entity being LADbible Group Limited and the Parent Company which were considered to be the significant components. Full scope audits were performed on these components by the Group engagement team.

- The Parent Company; and
- LADbible Group Limited.

In addition to the above, two significant components of the Group, review procedures were performed on the financial information of the non-significant components of the Group, also by the Group engagement team. LADbible Australia Pty Ltd and Betches Media LLC, both non-significant components, were subject to specified audit procedures by the Group engagement team.

At Group level the Group engagement team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining financial information of the remaining components not subject to audit or audit of specified account balances.

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Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition Refer to Note 2 – Revenue Recognition, Note 4 – Revenue; and Note 14 – Trade receivables, in relation to accrued income.	The Group has a number of revenue streams as detailed at Note 2, each of which contain different performance obligations with regard to the appropriate revenue recognition under IFRS 15. Revenue from Contracts with Customers, which has led to our assessment of this being a Key Audit Matter. We have assessed that the risk of material misstatement could arise from: ▸ An inappropriate use of journals in revenue, in relation to all revenue streams; ▸ The existence and accuracy of Indirect revenues recognised including the reliance placed on external data by the Directors within certain revenue streams that confirms the number of views of videos on social media and views of advertisements on websites; ▸ The existence and accuracy of revenue recognised throughout the year in respect of Direct revenue; and ▸ Improper revenue recognition before completion of performance obligations, specifically with a focus on revenue recognised around the year end and on open campaigns at the year end.	The audit procedures included the following: ▸ For a sample of journal entries recorded in revenue throughout the year, we assessed the validity of the transactions by agreeing them to source documentation; ▸ We checked a sample of performance obligations within Direct revenue recognised both during the year and either side of year end to contracts with customers to ensure revenue was accurately recognised. We further checked the confirmation of the delivery of the obligations in the year to ensure revenue was recognised in the correct period; ▸ We checked a sample of accrued income balances at the year end to supporting documentation. This included checking that the revenue and accrued revenue was recorded in the correct period with procedures such as: agreeing to proof of obligation delivery, agreeing to contractual terms, confirming customer acceptance and where possible subsequent invoicing as well as receipt of cash; ▸ For a sample of Indirect revenue recognised during the year, and for a sample focusing on the period either side of year end, we obtained external third-party statements to confirm that revenue was recognised in the correct period; and ▸ We challenged management and those charged with governance on revenue streams where management place reliance on third party data, as explained in Note 2, and then performed our own assessment of the reliability of related amounts due from the customers by agreeing to third party confirmation of revenue and cash receipt, as well as reviewing contractual terms for any matters impacting revenue recognition, to check the appropriateness of recognition of revenue based on third party data. **Key observations:** Based on the procedures performed, we found management's revenue recognition policy to be in line with the requirements of applicable accounting standards and the recognition of revenue in the year to be appropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Acquisition accounting Refer to Note 27 – Acquisitions and Note 2 – Business Combinations	The Group has made one acquisition during the year, Betches Media LLC ('Betches'). Accounting for the acquisition of Betches involves determining: ▶ The fair value of contingent consideration; ▶ The fair value allocated to assets and liabilities acquired including intangible assets; and ▶ The valuation of goodwill. Accounting for acquisitions is complex and requires significant judgement. For this reason, this has led to our assessment of acquisition accounting in accordance with IFRS 3 to be a significant risk of material misstatement. Management involved a third-party expert to prepare detailed calculations to determine the fair value of the assets and liabilities acquired, fair value of contingent consideration and the valuation of goodwill. Given the significant risks of material misstatement identified, acquisition accounting and the related disclosures were determined to be a key audit matter.	We obtained and reviewed the sale and purchase agreement (SPA) to check that the appropriate accounting treatment had been applied. Our work included: ▶ With the support of our internal valuations experts, we challenged the key inputs, assumptions and methodology used by Management in determining the fair values of intangible assets acquired based on our knowledge of the industry; ▶ Use of Management's reconciliations and supporting documentation to agree the acquisition net book values of assets and liabilities and resulting fair value adjustments; ▶ Challenging the completeness of intangible assets acquired through inspection of due diligence reports and previous financial information of the acquired entity; ▶ Agreeing the fair value of the purchase consideration to supporting evidence and recalculating the equivalent goodwill arising on acquisition; ▶ Assessing the competency, capability and independence of management's expert; ▶ Challenging the valuation of contingent consideration with reference to forecast performance in the earn-out period, including the challenge of the underlying assumptions utilised within the forecasts, and corroboration of data inputs. We also compared the forecast performance to actual results post-acquisition; and ▶ Reviewing the disclosures for the business combination in accordance with IFRS 3. **Key observations:** Based on the procedures performed, we consider the judgements and estimates made by Management to be reasonable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2023 £	2022 £	2023 £	2022 £
Materiality	£330,000	£360,000	£190,000	£140,000
Basis for determining materiality	Set based on 5% of profit before tax, adjusted for costs attributable to the business combination expensed in the year.	Set based on 5% of profit before tax.	Set based on 60% of Group Materiality.	Set based on 39% of Group Materiality.
Rationale for the benchmark applied	We consider profit before tax adjusted for the business combination specific costs to be the most relevant measure for users of the financial statements. Due to the acquisition of Betches during the year, significant costs have been incurred and recognised as 'adjusting items'. We have considered these costs to be appropriate to add back to profit before tax in calculating materiality on the basis that these costs are one-off items incurred in the current year.	We consider profit before tax to be the most relevant measure for users of the financial statements.	As the Parent Company does not trade and acts as an investment holding company, calculating materiality based on a total gross or net asset basis would give rise to a materiality significantly in excess of Group materiality. We have used a materiality at 40% of Group materiality, to reduce aggregation risk when considering the materiality thresholds applied to each of the 2 significant components of the audit.	As the Parent Company does not trade and acts as an investment holding company, calculating materiality based on a total gross or net asset basis would give rise to a materiality significantly in excess of Group materiality. We used a materiality at 39% of Group materiality, to reduce aggregation risk when considering the materiality thresholds applied to each of the 2 significant components of the audit.

	Group financial statements		Parent company financial statements	
	2023 £	2022 £	2023 £	2022 £
Performance materiality	£215,000	£252,000	£128,000	£98,000
Basis for determining performance materiality	65% of materiality	70% of materiality	65% of materiality	70% of materiality
Rationale for the percentage applied for performance materiality	This was considered appropriate based on: • Cumulative knowledge of the Group, • Degree of estimation in financial statements, heightened in the year by the business combination entered into, • Historic misstatement levels, and • The trade of the Group being contained in two principal trading companies and one principal holding company.	This was considered appropriate based on: • Cumulative knowledge of the Group, • Degree of estimation in financial statements, • The trade of the Group being contained in two principal trading companies and one principal holding company	This was considered appropriate based on: • Cumulative knowledge of the Group, • Degree of estimation in financial statements, • Historic misstatement levels. • The trade of the Group being contained in two principal trading companies and one principal holding company, and; • Acquisition made of 'Betches' in the year	This was considered appropriate based on: • Cumulative knowledge of the Group, • Degree of estimation in financial statements, • The trade of the Group being contained in 2 principal trading companies and one principal holding company

Component materiality
Aside from the Parent Company whose materiality is detailed above, the Group has one other significant component. Materiality for the significant component was allocated based on a percentage of 90% of the Group materiality which was dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality therefore was set at £297,000. In the audit of the component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £6,600 (2022: £7,200). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: ▸ the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and ▸ the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: ▸ adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or ▸ the Parent Company financial statements are not in agreement with the accounting records and returns; or ▸ certain disclosures of Directors' remuneration specified by law are not made; or ▸ we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on our understanding and accumulated knowledge of the Group and the sector in which it operates we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, UK adopted international accounting standards and UK Companies Act 2006; those that relate to the payment of employees; and industry related such as compliance with infringement and defamation legislation, data protection and advertising standards legislation.

Our audit procedures included, but were not limited to:

- Holding discussions with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of Board meetings for instances of non-compliance with laws and regulation and fraud;
- Obtain and review the whistleblowing register for instances of non-compliance with laws and regulations and fraud;
- Reviewing a sample of legal costs incurred and any known legal correspondence throughout the year for instances of non-compliance with laws and regulation; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, modification of share-based payment schemes and revenue recognition.

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to valuation of goodwill and other intangibles arising on acquisition, and the probability of vesting of equity instruments granted in terms of share-based payment schemes;
- Identifying and testing journal entries to source documentation, in particular any journal entries posted with unusual account combinations or including specific keywords to supporting documentation;
- Performing the procedures set out in the key audit matters section above in response to the risk of fraud in revenue recognition;
- Using our internal valuations experts to assess the appropriateness of the fair value of share options utilised by management and challenging management on the assumptions used;
- Incorporating an element of unpredictability into the audit procedures, by testing a sample of immaterial employee expenses incurred in the year to supporting documentation to assess the validity, and performing revenue recognition testing within an insignificant component of the group; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
22 April 2024

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Revenue	4	**67,510**	62,809
Net operating expenses	6	**(61,423)**	(55,810)
(Increase)/decrease in expected credit losses of trade receivables	14	**(22)**	467
Operating profit		**6,065**	7,466
Analysed as:			
Adjusted EBITDA[1]		**17,368**	15,682
Depreciation	11	**(2,088)**	(1,633)
Amortisation	10	**(1,369)**	(804)
Asset impairment and release of related liabilities	6	**(318)**	–
Share based payments charge	20	**(3,853)**	(3,552)
Adjusting items	6	**(3,675)**	(2,227)
Operating profit		**6,065**	7,466
Finance income	8	**106**	18
Finance costs	8	**(565)**	(161)
Net finance costs		**(459)**	(143)
Share of post-tax profits of equity accounted joint venture	13	**331**	–
Profit before taxation		**5,937**	7,323
Income tax expense	9	**(4,271)**	(1,976)
Profit for the financial year attributable to equity holders of the company		**1,666**	5,347
Currency translation differences		**(1,082)**	29
Profit and total comprehensive income for the financial year attributable to equity holders of the company		**584**	5,376
Basic earnings per share (pence)	7	**0.8**	2.6
Diluted earnings per share (pence)	7	**0.8**	2.5

1. Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation, asset impairment and release of related liabilities, share based payment charge and adjusting items is a non-GAAP metric used by management and is not an IFRS disclosure.

The notes on pages 85 to 123 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Assets			
Non-current assets			
Goodwill and other intangible assets	10	**39,782**	15,436
Property, plant and equipment	11	**5,982**	3,670
Investments in equity-accounted joint ventures	13	**690**	359
Other receivables	14	**198**	592
Deferred tax asset	19	**24**	260
Total non-current assets		**46,676**	20,317
Current assets			
Trade and other receivables	14	**28,765**	20,370
Current tax asset		**62**	378
Inventory		**27**	–
Cash and cash equivalents	15	**15,800**	29,268
Total current assets		**44,654**	50,016
Total assets		**91,330**	70,333
Equity			
Called up share capital	21	**207**	206
Share premium reserve		**28,993**	28,993
Accumulated exchange differences		**(1,053)**	29
Retained earnings		**37,006**	31,998
Total equity		**65,153**	61,226
Liabilities			
Non-current liabilities			
Non-current lease liability	12	**2,975**	1,960
Provisions	18	**446**	540
Non-current contingent consideration	27	**6,523**	–
Deferred tax liability	19	**556**	394
Total non-current liabilities		**10,500**	2,894
Current liabilities			
Current lease liability	12	**2,507**	1,282
Trade and other payables	16	**8,906**	4,295
Current contingent consideration	27	**3,016**	–
Current tax liabilities		**1,248**	636
Total current liabilities		**15,677**	6,213
Total liabilities		**26,177**	9,107
Total equity and liabilities		**91,330**	70,333

The financial statements on pages 81 to 123 were approved by the Board of Directors and authorised for issue on 22 April 2024, and were signed on its behalf by:

Richard Jarvis
Chief Financial Officer

Registered number: 13693251

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Net cash flow from operating activities			
Profit for the financial year		**1,666**	5,347
Income tax		**4,271**	1,976
Net interest expense	8	**459**	143
Share of post-tax profits of equity accounted joint venture	13	**(331)**	–
Operating profit		**6,065**	7,466
Depreciation charge	11	**2,088**	1,633
Amortisation of intangible assets	10	**1,369**	804
Asset impairment and release of related liabilities	6	**318**	–
Share based payments	20	**3,853**	3,552
(Gain)/loss on disposal of property, plant and equipment		**(30)**	21
Increase in trade and other receivables		**(4,151)**	(5,210)
Increase/(decrease) in trade and other payables		**588**	(6,971)
Cash generated from operations		**10,100**	1,295
Tax paid		**(2,898)**	(2,693)
Net cash generated from/(used in) operating activities		**7,202**	(1,398)
Cash flows from investing activities			
Purchase of intangible assets	10	**(1,045)**	(1,675)
Purchase of property, plant and equipment	11	**(954)**	(544)
Stamp duty paid		**(26)**	–
Acquisition of subsidiary, net of cash acquired	27	**(17,580)**	–
Net cash used in investing activities		**(19,605)**	(2,219)
Cash flows from financing activities			
Lease payments	17	**(1,323)**	(1,227)
Lease deposits paid		**(23)**	(105)
Lease deposits received		**544**	–
Proceeds from share issue	21	**1**	–
Interest paid	17	**(142)**	(121)
Net cash used in financing activities		**(943)**	(1,453)
Net decrease in cash and cash equivalents		**(13,346)**	(5,070)
Cash and cash equivalents at the beginning of the year		**29,268**	34,338
Effect of exchange rates on cash and cash equivalents		**(122)**	–
Cash and cash equivalents at the end of the year	15	**15,800**	29,268

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £'000	Share premium £'000	Accumulated exchange differences £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2022		**206**	**28,993**	**–**	**23,082**	**52,281**
Profit for the financial year		–	–	–	5,347	5,347
Currency translation differences		–	–	29	–	29
Total comprehensive income for the year		**–**	**–**	**29**	**5,347**	**5,376**
Share based payments	20	–	–	–	3,552	3,552
Deferred tax on share options		–	–	–	17	17
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**3,569**	**3,569**
Balance as at 31 December 2022 and 1 January 2023		206	28,993	29	31,998	61,226
Profit for the financial year		**–**	**–**	**–**	**1,666**	**1,666**
Currency translation differences		**–**	**–**	**(1,082)**	**–**	**(1,082)**
Total comprehensive (loss)/income for the year		**–**	**–**	**(1,082)**	**1,666**	**584**
Issue of shares in the year	21	**1**	**–**	**–**	**–**	**1**
Share based payments	20	**–**	**–**	**–**	**3,853**	**3,853**
Equity settled share options switched to cash settled share options	20	**–**	**–**	**–**	**(494)**	**(494)**
Deferred tax on share options		**–**	**–**	**–**	**(17)**	**(17)**
Total transactions with owners, recognised directly in equity		**1**	**–**	**–**	**3,342**	**3,343**
Balance as at 31 December 2023		**207**	**28,993**	**(1,053)**	**37,006**	**65,153**

1. General information

The principal activity of LBG Media plc ('the Company') is that of a holding company and the principal activity of the Company and its subsidiaries ('the Group') is that of an online media publisher. The Company was incorporated on 20 October 2021 and is a public company limited by shares registered in England and Wales. The registered office of the Company is 20 Dale Street, Manchester, M1 1EZ. The Company registration number is 13693251.

2. Material accounting policy information

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

Basis of preparation

The financial information has been prepared on a going concern basis under the historical cost convention, in accordance with UK adopted international accounting standards.

The financial information is presented in sterling and has been rounded to the nearest thousand (£'000).

Changes in accounting policies

The following amendments are effective for the period beginning 1 January 2023:

- IAS 1 Presentation of Financial Statements (Amendment to Disclosure of Accounting Policies);
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment to the Definition of Accounting Estimates);
- IAS 12 Income Taxes (Amendment to Deferred Tax related to Assets and Liabilities Arising from a Single Transaction);
- IAS 12 Taxes (Amendment to International Tax Reform – Pillar Two Model Rules – effective immediately upon the issue of the amendments and retrospectively); and
- IFRS 17 Insurance Contracts.

These amendments are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes for further details on how the amendments affected the Group.

- IAS 1 Presentation of Financial Statements (Amendment to Disclosure of Accounting Policies)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the measurement or presentation of any items in the Consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group. A number of accounting policies evident in the prior year have been removed.

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment to the Definition of Accounting Estimates)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimates, changes in accounting policy and prior period errors.

These amendments had no effect on the consolidated financial statements of the Group.

- IAS 12 Income Taxes (Amendment to Deferred Tax related to Assets and Liabilities Arising from a Single Transaction)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the consolidated financial statements of the Group.

- IAS 12 Income Taxes (Amendment to International Tax Reform – Pillar Two Model Rules)

2. Material accounting policy information continued

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management has determined that the Group is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Group.

- IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed. Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such LBG Media plc. The Group carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the annual consolidated financial statements of the Group.

New standards and interpretations not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment to Liabilities in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment to Classification of Liabilities as Current or Non-current);
- IAS 1 Presentation of Financial Statements (Amendment to Non-current Liabilities with Covenants); and
- IFRS 7 Financial Instruments: Disclosures (Amendment to Supplier Finance Arrangements).

The following amendments are effective for the period beginning 1 January 2025:

- IAS 21 Transactions in Foreign Currencies (Amendment to Lack of Exchangeability)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any standards issued by the IASB, but are yet to be effective, to have a material impact on the Group.

The financial statements were approved and authorised for issue by a duly appointed and authorised committee of the Board of Directors on 22 April 2024.

Material accounting policies adopted are set out on the following pages.

2. Material accounting policy information continued

Going concern

The Group generated profit after tax of £1.7m during the year ended 31 December 2023 (2022: £5.3m) and, at that date, the Group's total assets exceeded its total liabilities by £65.2m (2022: £61.2m) and it had net current assets of £29.0m (2022: £43.8m). Cash generated from operations in the year was £10.1m (2022: £1.3m).

The financial statements for the Group and Parent Company have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered the principal risks set out on pages 45 to 47. Under a worst-case scenario considered, which is severe and considered highly unlikely, the Group remains liquid for a period of 12 months from the date of reporting and the Directors therefore believe, at the time of approving the financial statements that the Group is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

The financial position remains robust with cash of £15.8m available to the Group and no debt (excluding IFRS 16 lease liabilities) and therefore no bank covenants in place. Our base case scenario has been prepared using a budget that considers both the challenges and opportunities faced by the business. Due to the strength of the Group's balance sheet and market outlook, the Directors believe there is no material uncertainty around going concern. To this end a reverse stress test scenario has also been modelled, whereby 60% of budgeted revenue from April 2024 was removed within the Group up to June 2025 with no change to costs assumptions in response, resulted in cash reducing to nil in March 2025.

Business combinations

The Group uses the acquisition method of accounting to account for business combinations of entities not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as a financial liability within the scope of IFRS 9 'Financial Instruments: Recognition and Measurement' is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Currencies

i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£).

On consolidation, the results of overseas operations are translated into £ at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. All exchange differences arising from consolidation are recognised as a separate component of equity and presented separately in the Consolidated statement of changes in equity. For all intercompany loans where repayment is not planned within the foreseeable future, foreign currency gains and losses on retranslation are posted to the currency retranslation reserve.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2. Material accounting policy information continued

Revenue recognition

Revenue is grouped within three streams: direct, indirect and other income:

- Direct revenue relates to sales driven streams, including content marketing, direct display, newsletters, podcasts and social consultancy;
- Indirect revenue includes social video, web advertising and content recommendation revenues; and
- Other income includes affiliate, merchandise, ticket sales and licensing.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price, stated net of rebates, VAT and other sales-related taxes. Revenue is recognised either at a point in time, or over time as the Group satisfies performance obligations by transferring the promised services to its customers as described below.

- Content marketing and direct display – recognised when performance obligations are met, at a point in time net of any agency rebate;
- Web advertising – recognised at the point a digital advert is delivered;
- Social video – recognised at the point a digital advert is delivered, net of revenue share taken by platform partners;
- Content recommendation – recognised upon referral of new customers to our partners;
- Affiliates commissions – recognised upon referral of new customers to our partners, as well as commission earned on active accounts;
- Social consultancy – recognised over the life of the agreement with the customer;
- Licensing – see below;
- Subscriptions – recognised over the period that the subscriber has paid for;
- E-commerce – recognised at the point of delivery of the products purchased; and
- Ticket sales – recognised at the point the event takes place.

For those licensing agreements where the following apply, all revenue was recognised immediately at the start date of the contract:

- The customer has access to draw all videos/credits down immediately; and
- The Group has no obligation to ‘update the video bank’ to make it current.

For those licensing agreements where the following apply, all revenue should be recognised over the contract period:

- The customer has access to draw down a set number of videos/credits per period (often a month); and
- Where the customer can draw down all videos immediately at the start of a period, but the Group has an obligation to ‘update the video bank’ to make it current over the contracted period (this is not the case for any current contracts).

Although revenue is grouped within three separate streams, as the Directors analyse revenue at this level, the Directors do not monitor or review gross margin by revenue stream. The Directors analyse the Group’s Adjusted EBITDA and profit before tax as key performance indicators. Due to this, the Group does not believe there are any IFRS 8 considerations around the requirement to disclose operating segments for reporting purposes.

The following revenue streams’ revenue recognition rely on the use of third party data from social media platforms and programmatic partners (including Google) confirming the number of impressions and views:

- Content marketing and direct display
- Web advertising
- Social video

2. Material accounting policy information continued

Adjusting items

The Group presents as adjusting items on the face of the consolidated statement of comprehensive income those significant items of expense/income which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to allow users to understand better the elements of financial performance in the year so as to facilitate comparison with prior years and assess trends in financial performance more readily. These costs are analysed in Note 6.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

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

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Intangible assets

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the trade and asset acquisitions and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately, or which arise from legal or contractual rights regardless of whether those rights are separable, and are initially recognised at fair value.

Goodwill

Goodwill on trade and asset acquisitions is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite and is presented within operating expenses. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

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2. Material accounting policy information continued

Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of three years.

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

It is technically feasible to complete the software so that it will be available for use;

- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs.

Amortisation of intangible assets

Capitalised software development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use over their estimated useful lives of three to ten years.

Branded content relationships relate to content relationships acquired following acquisitions. They are amortised over their estimated useful lives of eight to ten years.

Brand intangible assets relate entirely to brands acquired through acquisitions. They are amortised over their estimated useful lives of ten years. Social Media pages assets relate to social media pages acquired from third parties. They are amortised over their estimated useful lives of three to ten years.

Content libraries are a collection of videos obtained by acquisitions that are owned on an exclusive basis which are then either licensed to third parties or published. The libraries are amortised over their estimated useful lives of three years. Note, this is only following acquisitions and in line with Group policy; the entity does not capitalise the videos it acquires in its day-to-day activities because the individual value of each video acquired is not material.

Property, plant and equipment

Property, plant and equipment ('PPE') are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. There is no de minimis level regarding the capitalisation of PPE.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. Those useful lives by category are as follows:

- Fixtures and fittings: Three years
- Computer equipment: Three years
- Right-of-use asset: Over the life of the lease

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

Repairs, maintenance and minor inspection costs are expensed as incurred.

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

Leased assets

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Material accounting policy information continued

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right-of-use asset is zero.

The Group presents right-of-use assets within property, plant and equipment in Note 11.

Short-term leases and low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less or leases of low-value assets. These lease payments are expensed on a straight-line basis over the lease term. See further detail in Note 12.

Joint ventures

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interest in joint ventures using the equity method.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Financial instruments

The Group has only a limited number of financial assets and liabilities. Financial assets include trade receivables, cash and other receivables. Other receivables relate largely to lease deposits.

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables, and amounts owed by Group undertakings, are classified at amortised cost and recognised initially at fair value and subsequently measured at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) less provisions for impairment. These assets are held to collect contractual cash flows being solely the payments of the principal amount and interest. Provisions for impairment of trade receivables are recognised for expected lifetime credit losses using the simplified approach. Impairment reviews of other receivables, including those due from related parties, use the general approach whereby 12-month expected losses are provided for and lifetime credit losses are only recognised where there has been a significant increase in credit risk, by monitoring the creditworthiness of the other party.

Financial liabilities include trade and other payables, accruals, lease liabilities and contingent consideration.

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2. Material accounting policy information continued

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. The Group's lease liabilities, trade and other payables fall into this category of financial instruments. Contingent consideration is considered in the business combinations section above.

Dilapidation provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the year in which it arises.

Share based payments

The Group operated both equity and cash settled share based remuneration plans for employees in the period.

All goods and services received in exchange for the grant of any share based payment are measured at their fair values. The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the appropriate service period is determined by reference to the fair value of the awards. The calculation of fair value excludes the impact of any non-market vesting conditions (for example, revenue growth per annum).

For equity settled awards, the fair value of each award is determined at the grant date, with consideration of the number of awards likely to vest (based on non-market conditions) at each balance sheet date made. For cash settled awards the fair value is determined at grant date, but then adjusted at each balance sheet date to account for changes in the number of awards likely to vest (based on non-market conditions) and the fair value of each award (based on market conditions).

For equity settled awards, for any charge taken to the income statement, the corresponding entry is in equity. For cash settled awards the corresponding entry is the cash settled share based payment liability.

The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

The post IPO share based remuneration schemes have market based vesting conditions included within the assumptions.

3. Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Accounting estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

3. Critical judgements and estimates in applying the accounting policies continued

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value.

- Contingent considerations (note 27)
- Equity and cash settled share-based payment liabilities (note 20)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

Goodwill and intangible assets arising on acquisition (Note 10)

The process of estimating the value of customer contracts, customer relationships and brands on acquisition includes an element of forecasting and judgement. The Directors review customer contracts, customer relationships and brands on an annual basis which also involves an element of judgement as to the length of the contract and relationship. See note 10 for details.

Probability of vesting of equity instruments granted in terms of share-based payment schemes (Note 20)

The cumulative expense recognised for the Group's share-based payment schemes reflects, in the opinion of the Directors, the number of equity instruments granted that will ultimately vest. At each reporting date, management adjusts the unvested equity instruments with the forfeited instruments. Management are of the opinion that this number, adjusted for future attrition rates, represents the most accurate estimate of the number of instruments that will ultimately vest.

Contingent consideration earn outs (Note 27)

The assessment of the contingent consideration earn outs are considered to be a key accounting estimate due to the impact of any changes to the significant unobservable inputs. For further details refer to Note 27.

Significant accounting judgements

There are no significant accounting judgements.

4. Revenue

The trading operations of the Group are in the online media publishing industry and are all continuing. All assets of the Group reside in the UK with the exception of £1,311k of property, plant and equipment held in the United States (2022: £15k), £63k held in Australia (2022: £904k) and £59k held in Ireland (2022: £44k).

Analysis of revenue

The Group's revenue and operating profit relate entirely to its principal activity. Note that gross margin is not assessed separately for the revenue streams below.

The analysis of revenue by stream is:

	2023 £'000	2022 £'000
Direct	**29,349**	27,806
Indirect	**37,111**	33,601
Other	**1,050**	1,402
	67,510	62,809

The geographical analysis of revenue by customer location is:

	2023 £'000	2022 £'000
United Kingdom	**24,230**	23,579
Ireland	**26,379**	25,485
Australia	**4,206**	4,476
US	**9,571**	7,102
Rest of the World	**3,124**	2,167
	67,510	62,809

Major customers

In 2023 there was 1 major customer that individually accounted for at least 10% of total revenue (2022: 2) (Customer A: 34%) (2022: Customer A: 33% and Customer B: 11%). The total revenues relating to this customer in 2023 was £23,203k (2022: total revenues relating to both customers amounted to £27,623k).

5. Employees and Directors

The average monthly number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees 2023	Number of employees 2022
Sales	**43**	61
Administration	**403**	409
	446	470

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000
Wages and salaries	**25,142**	22,125
Social security costs	**2,863**	2,476
Other pension costs	**516**	499
Share based payments	**3,853**	3,552
Total payroll costs	**32,374**	28,652
Capitalised payroll costs	**(281)**	(308)
Net payroll costs	**32,093**	28,344

The Group operates a defined contribution plan which receives fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current year in relation to these contributions was £516k (2022: £499k).

Pension contributions included in accruals at 31 December 2023 were £118k (2022: £nil).

Key management compensation

Key management includes Directors. The compensation paid or payable to key management for services is shown below:

	2023 £'000	2022 £'000
Salaries including bonuses	**1,181**	1,443
Social security costs	**152**	251
Short-term monetary benefits	**7**	10
Termination benefits	**267**	–
Share based payments (note 20)	**2,672**	2,975
Total short-term benefits	**4,279**	4,679

Directors

The Directors' emoluments were as follows:

	2023 £'000	2022 £'000
Directors' aggregate emoluments	**1,190**	861

Highest paid Director

The emoluments received by the highest paid Director in respect of qualifying services totalled £373k (2022: £176k) including pension contributions of £nil (2022: £nil).

6. Net operating expenses

	2023 £'000	2022 £'000
Employee benefit expense	32,093	28,344
Amortisation	1,369	804
Depreciation	2,088	1,633
Asset impairment and release of related liabilities	318	–
Auditor's remuneration	275	217
Legal and professional	1,721	1,513
Media costs	5,841	7,391
Production costs	5,285	4,646
Travel and expenses	1,366	1,648
Establishment costs	6,481	5,658
Foreign currency (gain) / loss	(110)	898
Adjusting items	3,675	2,227
Other expenses	1,021	831
Total net operating expenses	**61,423**	**55,810**

Auditor's remuneration in 2023 includes £260k (2022: £180k) for the audit of the Group (£15k for the audit of the Company; 2022: £10k); and £nil (2022: £37k) for half year audit.

A breakdown of the asset impairment and release of related liabilities is provided below:

	2023 £'000	2022 £'000
Impairment of plant, property and equipment (Note 11)	559	–
Release of dilapidation provision (Note 18)	(123)	–
Modification of lease liability (Note 12)	(118)	–
Total asset impairment and release of related liabilities	**318**	–

During the year, as part of the ANZ business reorganisation, the Group impaired certain assets which included right of use assets, released a dilapidation provision no longer required and modified a lease liability after a reduction in the lease term was agreed with the landlord.

A breakdown of adjusting items is provided below:

	2023 Gross £'000	2023 Tax Impact £'000	2022 Gross £'000	2022 Tax Impact £'000
Costs associated with business reorganisations – ANZ	1,371	406	–	–
Acquisition related fees	1,141	331	–	–
One-off retention payment in 2023	621	158	–	–
Costs associated with business reorganisations – Non-ANZ	609	152	1,571	298
US Setup costs	–	–	626	205
Amounts recoverable from Bentley Harrington	–	–	(335)	(64)
Tax (credits)/settlements	(67)	(17)	365	69
Total adjusting items	**3,675**	**1,030**	2,227	508

The blended tax rates for each adjusting item differ due to the costs being incurred within different jurisdictions, thus incurring tax at differing rates.

Costs associated with business reorganisations – ANZ

On 8 November 2023, the Group announced changes to the Group's operating model within ANZ to address declining profitability. This change involved centralising the Social and Web operations into the UK, as well as appointing a third-party partner, Val Morgan Digital, to perform commercial operations in Australia and New Zealand. Significant costs were incurred, mainly the termination costs of the local team members that didn't transfer to Val Morgan Digital and it is appropriate to categorise these costs as adjusting items to better reflect the underlying performance of the Group.

These adjusting items total £1,371k and include £1,210k of staff related costs and £161k of non-staff related costs. Of the total cost of £1,371k, £964k was paid within 2023, with the remaining balance of £407k being accrued at the year end date.

Acquisition related fees

Acquisition related costs of £1,141k include legal, professional advisor and other costs directly attributable to the acquisition of Betches Media, LLC in October 2023, and other target acquisitions. Of the total cost of £1,141k within the current year, £828k was paid within 2023, with the remaining balance of £313k being accrued at the year end date.

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6. Net operating expenses continued

One-off retention payment in 2023

Recognising a set of unique circumstances of stabilising and retaining staff following the large reorganisation in the last quarter of 2022 that was also compounded by the cost-of-living crisis, the Group made a payment of £710k to employees to mitigate retention risks. This payment was fully repayable if they chose to leave within the year, £89k was recovered in the year as a result of leavers. Due to the one-off nature of this payment and to facilitate meaningful understanding of underlying performance and comparison with prior and future years this has been considered an adjusting item. The cost of £621k was recognised in full within the year and there is no outstanding liability at the year end.

Costs associated with business reorganisations – Non-ANZ

Costs associated with team member reorganisations of £609k relate to exit costs of personnel leaving the business due to reorganisations within our operating divisions and Board. £397k of that cost relate to Board level changes due both the resignation of the CFO in April 2023 which led to some dual CFO costs and the resignation of the COO in July 2023 who left the business at that point. The remaining £212k relates to the exit costs of senior team members. Due to the nature of these costs, management deem them to be adjusting items in order to better reflect the underlying performance of the Group. Exit costs outside of these circumstances are treated as operating expense.

Of the total cost of £609k within the current year, £457k was paid within 2023, with the remaining balance of £152k being accrued at the year end date. In the prior year, the cost of £1,571k was paid within 2022, with £nil accrued at the year end.

US Setup costs

The Group opened its first office in New York in the second half of 2022. Costs of the initial setup of the US business were classified as adjusting items within the prior year. These costs totalled £626k and related to the cost of US employees engaged with the setup of the new business (including their travel and accommodation costs), the incremental costs of employees seconded to the US business, as well as legal and advisory fees. Initial setup activities included rebranding of UNILAD to target the US market, sourcing premises and staff recruitment.

As all of these costs were incurred prior to any US revenue being earned by the Company management deemed it appropriate to classify these costs as adjusting items as they were not indicative of the underlying performance of the business. Given the US is revenue generating in 2023, there are no adjusting items in the year.

Amounts recoverable from Bentley Harrington

At the end of 2020 a receivable of £1,180k was recorded as an asset. This relates to amounts due from Bentley Harrington Limited – a company in administration. In October 2018, the Group had acquired a loan from a creditor of Bentley Harrington Limited of £5,000k. The receivable at the end of 2020 was in relation to this loan. In 2021, £1,204k was received from the administrators of Bentley Harrington Limited, being £24k more than the amount included as receivable at 31 December 2020. Consistent with prior years, the £24k difference was then recorded as an adjusting item (as the receipt was in relation to transactions outside the normal course of business). Within 2022 a further receipt of £335k was received relating to statutory interest not accrued at the end of 2021. Again, this was recognised as an adjusting item in the prior year.

Tax (credits)/settlements

In the prior year, the Group agreed to settle a PAYE liability on behalf of two employees, totalling £224k. As this was a one-off settlement, it was classified as an adjusting item. In the year, following a settlement agreement with HMRC this liability was reduced by £67k and the revised liability of £157k was paid in full. Consistent with prior year, as this was a one-off settlement, this has been classified as an adjusting item.

In the prior year, the Group also recorded a tax liability of £141k in relation to historic underpaid state payroll taxes in Australia. This was identified following a change in tax advisor and a subsequent review of tax positions. As the quantum of the liability was not indicative of the future state payroll tax charge, this cost was classified as an adjusting item.

7. Earnings per share

There is no difference between profit as disclosed within the statement of comprehensive income and earnings used within the earnings per share calculation for the reporting periods.

Basic earnings per share calculation:

	2023	2022
Earnings per share from continuing operations		
Earnings, £'000	**1,666**	5,347
Number of shares, number	**206,542,642**	205,714,289
Earnings per share, pence	**0.8**	2.6

Diluted earnings per share calculation:

	2023	2022
Diluted earnings per share from continuing operations		
Earnings, £'000	**1,666**	5,347
Number of shares, number	**217,710,005**	211,879,344
Diluted earnings per share, pence	**0.8**	2.5

Reconciliation from weighted average number of shares used in basic earnings per share to diluted earnings per share:

	2023	2022
Number of shares in issue at the start of the period	**205,714,289**	205,714,289
Effect of shares issued in period	**828,353**	–
Weighted average number of shares used in basic earnings per share	**206,542,642**	205,714,289
Employee share options	**11,167,363**	6,165,055
Weighted average number of shares used in diluted earnings per share	**217,710,005**	211,879,344

8. Net finance costs

	2023 £'000	2022 £'000
Unwinding of discount on provisions	**(24)**	(30)
Unwinding of discount on contingent consideration liability	**(314)**	–
On lease liabilities	**(142)**	(121)
Other interest	**(85)**	(10)
Finance costs	**(565)**	(161)
Unwinding of discounts on deposits	**57**	18
Bank interest received	**49**	–
Finance income	**106**	18
Net finance costs	**(459)**	(143)

9. Income tax expense

Tax expense included in profit or loss:

	2023 £'000	2022 £'000
Current year tax:		
Current taxation charge for the year	3,742	2,144
Adjustments in respect of prior years	146	604
Total current tax	3,888	2,748
Deferred tax:		
Current year	231	(432)
Adjustments in respect of prior years	115	(131)
Effect of change in tax rates	37	(209)
Total deferred tax	383	(772)
Total tax on profit on ordinary activities	4,271	1,976
Equity items		
Current tax	–	–
Deferred tax	17	(17)
Total tax recognised in equity	17	(17)

Reconciliation of tax charge

The tax assessed for the year is higher (2022: higher) than at the standard rate of corporation tax in the UK. The differences are explained below:

	2023 £'000	2022 £'000
Profit before taxation	5,937	7,323
Tax on profit multiplied by standard rate of corporation tax in the UK at 23.50% (2022: 19.00%)	1,395	1,391
Effects of:		
Adjustments in respect of prior years	260	473
Expenses not deductible	555	113
Effect of change in UK tax rates	37	(209)
Effects of overseas tax rates	(152)	(106)
Exempt items	25	11
Amounts not recognised	1,434	131
Foreign exchange	4	24
Share valuation	713	148
Total taxation charge	4,271	1,976

The Finance Act 2020, which was substantively enacted in June 2021, increased the UK rate of corporation tax from 19% to 25% from April 2023. Therefore, the future rate of UK corporation tax of 25% has been used when calculating UK deferred tax at the reporting date.

Amounts not recognised in 2023 include losses incurred from the changes to ANZ operations during the year. Further information on unrecognised losses can be found in note 19.

10. Goodwill and other intangible assets

	Trademarks and licences £'000	Software £'000	Relationships £'000	Brand £'000	Content library £'000	Goodwill £'000	Social Media Pages £'000	Total £'000
Cost								
At 1 January 2022	28	639	1,300	4,626	300	10,094	–	16,987
Additions	–	544	–	57	–	–	1,074	1,675
Exchange adjustments	–	–	–	11	–	–	–	11
At 31 December 2022	28	1,183	1,300	4,694	300	10,094	1,074	18,673
Additions	–	524	–	–	–	–	521	1,045
Acquired through business combinations	–	–	3,850	6,744	–	15,197	–	25,791
Exchange adjustments	–	–	(164)	(294)	–	(646)	(21)	(1,125)
At 31 December 2023	**28**	**1,707**	**4,986**	**11,144**	**300**	**24,645**	**1,574**	**44,384**
Accumulated amortisation								
At 1 January 2022	21	236	420	1,454	298	–	–	2,429
Charge for the year	6	122	129	493	–	–	54	804
Exchange adjustments	–	1	1	2	–	–	–	4
At 31 December 2022	27	359	550	1,949	298	–	54	3,237
Charge for the year	–	266	225	642	2	–	234	1,369
Exchange adjustments	–	–	–	(2)	–	–	(2)	(4)
At 31 December 2023	**27**	**625**	**775**	**2,589**	**300**	**–**	**286**	**4,602**
Net book value								
At 1 January 2022	7	403	880	3,172	2	10,094	–	14,558
At 31 December 2022	1	824	750	2,745	2	10,094	1,020	15,436
At 31 December 2023	**1**	**1,082**	**4,211**	**8,555**	**–**	**24,645**	**1,288**	**39,782**

10. Goodwill and other intangible assets continued

Goodwill relates to two acquisitions. The first was Bentley Harrington (trading as 'UNILAD') which was acquired in 2018 (£10,094k), the second is Betches which was acquired in 2023 (£15,197k). See note 27 for details of the Betches Media, LLC acquisition.

Brand and relationships intangible assets relate partly to those acquired in the year following the Betches acquisition (total of £10,594k). The remaining position in this category relate to assets acquired from Bentley Harrington in 2018, net of amortisation to date.

With regard to social media pages, in 2022, the Group acquired the social media accounts, the social media content, the IP records, the third party rights, the records and all intellectual property rights connected to such assets for total consideration of £1.1m from Creation Stage Ltd. The core social media accounts acquired were branded 'Go Animals', and have been subsequently rebranded by the Group as 'Furry Tails'. In 2023, the Group acquired the social media accounts, the social media content, the IP records, the third party rights, the records and all intellectual property rights connected to such assets for total consideration of CA$700k (£521k) from Lessons Learned in Life Inc.

Software intangible assets are defined within note 2.

During the year, £nil (2022: £nil) of fully written down assets were disposed of. Within the year, £1,045k (net of business combinations) of the additions were paid for (2022: £1,675k).

The individually material intangible assets at the year end are summarised below:

Intangible asset name	Asset category	Net book value at the year end £000	Remaining amortisation period (years)	Description
Betches – Brand	Brand	6,325	10	The Betches brand was acquired in the year as part of the acquisition of Betches Media, LLC – see note 27.
Betches – Content partner relationships	Content partner relationships	3,592	8	The Betches content partner relationships were acquired in the year as part of the acquisition of Betches Media, LLC – see note 27.
UNILAD – Brand	Brand	2,150	5	The UNILAD brand was acquired from Bentley Harrington in 2018.
Go Animals social media pages	Social media pages	913	9	The Go Animals social media pages were acquired in 2022.
UNILAD – Content partner relationships	Content partner relationships	621	5	The UNILAD content partner relationships were acquired from Bentley Harrington in 2018.
Order Management System (OMS)	Software	485	4	The OMS was completed in June 2023 and serves as the Group's order management system, which is a step change in the way the Group manages the sales process.
Lessons Learned In Life social media pages	Social media pages	374	2	The Lessons Learned In Life social media pages were acquired in 2023.

The individually material intangible assets at the prior year end are summarised below:

Intangible asset name	Asset category	Net book value at the year end £000	Remaining amortisation period (years)	Description
UNILAD – Brand	Brand	2,599	6	The UNILAD brand was acquired from Bentley Harrington in 2018.
Go Animals Social Media Pages	Social media pages	1,020	10	The Go Animals social media pages were acquired in 2022.
UNILAD – Content partner relationships	Content partner relationships	750	6	The UNILAD content partner relationships were acquired from Bentley Harrington in 2018.
Order Management System (OMS)	Software	265	5	The OMS was completed in June 2023 and serves as the Group's order management system, which is a step change in the way the Group manages the sales process.

10. Goodwill and other intangible assets continued

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

Performance of the Group is monitored at a Group level and, because of this, the Group has been considered the only cash generating unit (CGU) in prior periods. However, following the acquisition of Betches in October 2023, and given its performance is managed largely independently of the legacy LBG Media Group, Betches will be considered a separate CGU.

The value in use assessment for both CGUs are based upon five-year cashflows taken into perpetuity.

The key assumptions used in the value in use assessment for the LBG Media Group are detailed below:

- a long-term growth rate of 2.0% (2022: 2.0%) for the period beyond which detailed budgets and forecasts do not exist, based on macroeconomic projections for the geographies in which the entity operates; and
- a post-tax discount rate of 12.0% (2022: 14.0%) based upon the risk-free rate for government bonds adjusted for a risk premium to reflect the increased risk of investing in equities and investing in the Group's specific sector and regions.

The key assumptions used in the value in use assessment for Betches Media, LLC are detailed below:

- a long-term growth rate of 2.1% for the period beyond which detailed budgets and forecasts do not exist, based on macroeconomic projections for the geographies in which the entity operates; and
- a post-tax discount rate of 13.9% based upon the risk-free rate for government bonds adjusted for a risk premium to reflect the increased risk of investing in equities and investing in the entity's specific sector and regions.

Management has applied sensitivities to the key assumptions, including discount rates and growth rates, and believes that there are no reasonably possible scenarios which would result in an impairment of goodwill.

	Discount rate Change in value in use (£'000s)	Long term growth rate Change in value in use (£'000s)
LBG Media CGU		
Used in value in use model:	12.0%	2.0%
Value in use:	177,866	177,866
1% increase	161,782	166,199
1% decrease	197,509	192,092
Betches Media, LLC CGU		
Used in value in use model:	13.9%	2.1%
Value in use:	35,143	35,143
1% increase	32,324	37,456
1% decrease	38,490	33,192

The table above highlights the sensitivity in the value in use following small changes in key assumptions. However, given the acquisition of Betches was recent (acquired on 17 October 2023) these sensitivities were known at the date of acquisition and were factored into the purchase price of the business.

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11. Property, plant and equipment

	Fixtures and fittings £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Cost				
At 1 January 2022	270	748	6,276	7,294
Additions	137	407	1,236	1,780
Disposals	(4)	(29)	(443)	(476)
Exchange adjustments	1	5	33	39
At 31 December 2022	**404**	**1,131**	**7,102**	**8,637**
Additions	**677**	**277**	**2,748**	**3,702**
Acquired through business combinations	**14**	**247**	**1,143**	**1,404**
Disposals	**–**	**(1)**	**(1,051)**	**(1,052)**
Impairment	**(86)**	**(191)**	**(1,068)**	**(1,345)**
Exchange adjustments	**(5)**	**(18)**	**(101)**	**(124)**
At 31 December 2023	**1,004**	**1,445**	**8,773**	**11,222**
Accumulated depreciation				
At 1 January 2022	228	323	3,038	3,589
Charge for the year	53	284	1,296	1,633
Elimination on disposal	–	(12)	(262)	(274)
Disposals	–	2	17	19
At 31 December 2022	**281**	**597**	**4,089**	**4,967**
Charge for the year	**93**	**346**	**1,649**	**2,088**
Elimination on disposal	**–**	**(1)**	**(1,017)**	**(1,018)**
Elimination on impairment	**(45)**	**(122)**	**(618)**	**(785)**
Exchange adjustments	**(1)**	**2**	**(13)**	**(12)**
At 31 December 2023	**328**	**822**	**4,090**	**5,240**
Net book value				
At 1 January 2022	42	425	3,238	3,705
At 31 December 2022	123	534	3,013	3,670
At 31 December 2023	**676**	**623**	**4,683**	**5,982**

Depreciation is charged to net operating expenses in the consolidated statement of comprehensive income.

£954k (2022: £544k) of additions relate to cash movements in the year. The remaining additions relate to non-cash recognition of the right-of-use asset. The right-of-use asset is a lessee's right to use an asset over the life of a lease and are all related to property leases. All right-of-use assets are properties.

The £1,051k right-of-use asset disposals in the year relate to the Dale Street lease in Manchester (£933k) which ended in September 2023 and the William St. lease in Melbourne (£118k) which was terminated in early 2023. Note that a new five year lease for the Dale Street property (including additional floors) was agreed in September 2023.

In the year the Group announced a change to its ANZ operating model which became effective in 2024. The reasons for this are discussed in the strategic report on page 20. The change in the operating model necessitated the closure of 3 office premises in Australia. For two of the premises, the value in use was determined to be £nil as there was no reasonably foreseeable chance of subletting the property at the balance sheet date. At the date of impairment the Sydney office had a NBV of £331k, with the initial cost of £832k and accumulated depreciation of £501k. The Melbourne office had a NBV of £119k, with the initial cost of £236k and accumulated depreciation of £117k. Impairment of computer equipment and fixtures and fittings in relation to the closure of offices in Australia totalled £110k, with an initial cost of £277k and accumulated depreciation of £167k.

12. Leases

The Group leases the offices and treats the UK, US, Ireland and Australia leases under IFRS 16, recognising the leases on the balance sheet.

Right-of-use assets

The Group includes right-of-use assets as part of property, plant and equipment on the balance sheet. Their carrying value as at 31 December 2023 was £4,683k (2022: £3,013k). Refer to note 11 for further details.

Lease liabilities

The Group includes lease liabilities on the balance sheet. The carrying amounts of lease liabilities for the periods are set out below:

	2023 £'000	2022 £'000
At 01 January	**3,242**	3,759
Additions	**2,672**	910
Acquired through business combinations	**1,118**	–
Lease payments	**(1,323)**	(1,227)
Interest expense	**142**	121
Interest paid	**(142)**	(121)
Modification	**(118)**	–
Disposals	**(28)**	(218)
Foreign exchange movements	**(81)**	18
Total lease liabilities	**5,482**	3,242

Lease liabilities maturity analysis

	2023 £'000	2022 £'000
Amount repayable		
Within one year	**2,507**	1,282
In more than one year but less than two years	**1,678**	1,162
In more than two years but less than three years	**580**	798
In more than three years but less than four years	**484**	–
In more than four years but less than five years	**233**	–
In more than five years	**–**	–
	5,482	3,242

Lease liabilities maturity analysis (including interest)

	2023 £'000	2022 £'000
Amount repayable		
Within one year	**2,690**	1,368
In more than one year but less than two years	**1,800**	1,211
In more than two years but less than three years	**652**	812
In more than three years but less than four years	**517**	–
In more than four years but less than five years	**241**	–
In more than five years	**–**	–
	5,900	3,391

For the lease liability movements in the year, refer to note 17.

During the year, short-term leases of office space were held for LADbible US Inc. There was also a short-term lease of a pool flat for LADbible Group Limited employees which ceased in November 2023. Under IFRS 16 the Group have applied the recognition exemption for these short-term leases and the costs of these have been recognised as an expense. The total costs during the year are shown below:

	2023 £'000	2022 £'000
Total cost in the year		
LADbible United States office space	**114**	–
LADbible Group pool flats	**28**	33
LADbible Ireland office space	**–**	20
LADbible Australia office space	**–**	8
	142	61

13. Investments in equity-accounted joint ventures

The Group has a 30% (2022: 30%) interest in joint venture, Pubity Group Ltd, an online media publisher, incorporated and operating in the United Kingdom. Pubity Group's registered office is 20 Dale Street, Manchester, M1 1EZ.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Pubity Group Ltd. Under IFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Pubity Group Ltd operates in the same market as the Group and therefore its business risks remain consistent with that of the Group. Details of the Group's business risks can be found on pages 45 to 47.

Summarised financial information in relation to the joint venture is presented later in this note.

In 2023, additions in the year relates to the Group's share of total comprehensive income of £331k (2022: £nil).

Name	**Country of incorporation and principal place of business**	Proportion of ownership interest held as at 31 December 2023
Pubity Group Ltd	United Kingdom	30%

Summarised financial information (Pubity Group Ltd)	**2023 £'000**	2022 £'000
As at 31 December		
Current assets	**2,174**	510
Non-current assets	**6**	4
Current liabilities	**(657)**	(93)
Net assets (100%)	**1,523**	421
Group share of net assets (30%)	**457**	126
Period ended 31 December		
Revenue	**3,240**	899
Profit from continuing operations	**1,103**	–
Total comprehensive income (100%)	**1,103**	–
Group share of total comprehensive income (30%)	**331**	–

	2023 £'000	2022 £'000
Carrying amount of investment		
At 1 January	**359**	359
Group share of total comprehensive income	**331**	–
At 31 December	**690**	359

14. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables not past due	**6,090**	5,231
Trade receivables past due	**9,556**	2,829
Less: provision for credit losses	**(40)**	(18)
Trade receivables net	**15,606**	8,042
Work in progress	**190**	137
Other receivables	**800**	1,001
Prepayments	**1,366**	709
Contract asset – accrued income	**11,001**	11,073
Total trade and other receivables	**28,963**	20,962
Less: non-current portion – other receivables	**(198)**	(592)
Current portion	**28,765**	20,370

Trade receivables and all other receivables (including work in progress, other receivables and accrued income) are stated net of provisions of £40k (2022: £18k). Trade and other receivables are assessed for impairment based upon the expected credit losses model as well as individually impaired trade receivables. The lifetime expected loss provision and individually impaired trade receivables is £40k (2022: £18k) at an expected loss rate of 0.26% (2022: 0.22%) on gross trade receivables.

The accrued income balance of £11,001k (2022: £11,073k) relates to revenue recognised which had not been invoiced to the customer at the period end. The accrued income balance relating to Betches Media, LLC, the acquired business combination within the year, contributes £91k to this total balance.

It is expected that all of accrued income held at 31 December 2023, will be invoiced and cash received within 2024. All of the accrued income recorded at 31 December 2022 was invoiced and cash received within 2023. There is no difference between the carrying value and fair value of the financial assets noted above. Receivables not past due and past due but not impaired are generally with well-established counter parties with good credit quality. Non-current other receivables relate to security deposits on property leases.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end, adjusted for forward looking information. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

14. Trade and other receivables continued

The lifetime expected loss provision for trade receivables and contract assets is as follows:

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.02%	0.03%	0.04%	0.83%	
Gross carrying amount – Trade receivables, £'000	6,090	3,244	2,206	4,106	15,646
Gross carrying amount – Contract assets, £'000	11,001	–	–	–	11,001
Loss provision, £'000	4	1	1	34	40

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.14%	0.10%	0.10%	1.50%	
Gross carrying amount – Trade receivables, £'000	6,542	632	444	442	8,060
Loss provision, £'000	9	1	1	7	18

	2023 £'000	2022 £'000
Opening provision as at 1 January	(18)	(467)
Amount released	–	467
New charge in year	(22)	(18)
Closing provision as at 31 December	(40)	(18)

The closing provision at 31 December 2023 includes a specific provision of £31k in relation to customers that have entered administration. In the prior year no provision was held against contract assets, hence them not being included in the prior year tables above.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2023 £'000	2022 £'000
In these currencies		
UK Pound	18,310	13,105
United States Dollar	7,989	5,138
Euro	1,300	714
Australian Dollar	1,230	1,933
New Zealand Dollar	134	72
	28,963	20,962

15. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and cash equivalents		
Cash at bank and in hand	15,800	29,268
	15,800	29,268
In these currencies		
UK Pound	10,123	15,544
United States Dollar	4,162	12,543
Australian Dollar	291	327
Euro	1,207	838
New Zealand Dollar	17	16
	15,800	29,268

16. Trade and other payables

	2023 £'000	2022 £'000
Current:		
Trade payables	2,832	1,172
Tax and social security	1,070	825
Accruals	3,176	1,866
Deferred income	554	179
Amounts payable to sellers	239	–
Other payables	1,035	253
	8,906	4,295

There is no difference between the carrying value and fair value of the financial liabilities noted above. The deferred income balance of £554k (2022: £179k) relates to contracts with customers where invoices have been raised in advance of revenue being recognised.

It is expected that all of the deferred income recorded at 31 December 2023 will be recorded as revenue in the forthcoming year. All of the deferred income recorded at 31 December 2022 was recognised as revenue within the subsequent year.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2023 £'000	2022 £'000
In these currencies		
UK Pound	5,886	3,609
United States Dollar	1,527	143
Australian Dollar	1,190	484
Euro	288	59
New Zealand Dollar	15	–
	8,906	4,295

17. Borrowings

	2023 £'000	2022 £'000
Current		
Lease liabilities	2,507	1,282
	2,507	1,282
Non-current		
Lease liabilities	2,975	1,960
	2,975	1,960
Total borrowings	5,482	3,242

	2023 £'000	2022 £'000
Amount repayable		
Within one year	2,507	1,282
In more than one year but less than two years	1,678	1,162
In more than two years but less than three years	580	798
In more than three years but less than four years	484	–
In more than four years but less than five years	233	–
	5,482	3,242

A reconciliation from opening to closing borrowings can be found below.

Net cash

	2023 £'000	2022 £'000
Cash at bank and in hand	15,800	29,268
Lease liabilities	(5,482)	(3,242)
Net cash	10,318	26,026

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17. Borrowings continued

	As of 1 January 2023 £'000	New leases £'000	Acquired through business combinations £'000	Payments £'000	Interest charge £'000	Interest paid £'000	Non-current to current movements £'000	Disposals £'000	Modification £'000	FX £'000	Other cash movements £'000	As at 31 December 2023 £'000
Lease liabilities – current	(1,282)	(819)	(239)	1,323	(142)	142	(1,679)	28	118	81	–	(2,469)
Lease liabilities – non current	(1,960)	(1,853)	(879)	–	–	–	1,679	–	–	–	–	(3,013)
Total arising from movements in financing activities	(3,242)	(2,672)	(1,118)	1,323	(142)	142	–	28	118	81	–	(5,482)
Cash and short-term deposits	29,268	–	–	–	–	–	–	–	–	(122)	(13,346)	15,800
Net cash	26,026	(2,672)	(1,118)	1,323	(142)	142	–	28	118	(41)	(13,346)	10,318

	As of 1 January 2022 £'000	New leases £'000	Acquired through business combinations £'000	Payments £'000	Interest charge £'000	Interest paid £'000	Non-current to current movements £'000	Disposals £'000	Modification £'000	FX £'000	Other cash movements £'000	As at 31 December 2022 £'000
Lease liabilities – current	(1,111)	(201)	–	1,227	(121)	121	(1,388)	209	–	(18)	–	(1,282)
Lease liabilities – non current	(2,648)	(709)	–	–	–	–	1,388	9	–	–	–	(1,960)
Total arising from movements in financing activities	(3,759)	(910)	–	1,227	(121)	121	–	218	–	(18)	–	(3,242)
Cash and short-term deposits	34,338	–	–	–	–	–	–	–	–	–	(5,070)	29,268
Net cash	30,579	(910)	–	1,227	(121)	121	–	218	–	(18)	(5,070)	26,026

18. Provisions

Dilapidations have been recognised to account for the cost of returning leased properties to their original condition.

	Dilapidations 2023 £'000
As at 1 January 2023	**540**
Additions	**77**
Acquired through business combinations	**7**
Charged to profit or loss	**18**
Modifications	**(27)**
Disposals	**(36)**
Release	**(123)**
Exchange adjustments	**(10)**
At 31 December 2023	**446**

	Dilapidations 2022 £'000
As at 1 January 2022	209
Additions	301
Charged to profit or loss	30
At 31 December 2022	540

The discount rate applied to the provisions range between 3.25% and 7.00% and is expected to mature between 2026 and 2028, at the end of the life of the lease.

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19. Deferred tax liability

	2023 £'000	2022 £'000
Liability at start of year	(1,286)	(1,171)
Adjustment in respect of prior years	(110)	(8)
Reclassification	174	(248)
Deferred tax charge to statement of comprehensive income for the year	(393)	141
Liability at end of year	(1,615)	(1,286)
Asset at start of year	1,152	251
Adjustment in respect of prior years	(3)	136
Reclassification	(174)	248
Arising on new share options	–	17
Arising on losses	–	201
Deferred tax charge to other comprehensive income for the year	(17)	–
Deferred tax charge to statement of comprehensive income for the year	125	299
Asset at end of year	1,083	1,152
The deferred tax liability relates to the following:		
Accelerated capital allowances on property, plant and equipment	(1,146)	(399)
Temporary differences trading	(348)	–
Deferred tax on share options	(55)	–
Intangible assets	(66)	(887)
	(1,615)	(1,286)
The deferred tax asset relates to the following:		
Temporary differences trading	363	59
Deferred tax on share options	619	892
Losses	101	201
	1,083	1,152

Losses in the year of £3,184k in Australia have not been recognised as deferred tax assets. Following the change in operating model in ANZ there is uncertainty with regard to their recoverability. Brought forward unrecognised losses in Australia were £714k, resulting in total unrecognised losses in Australia of £3,898k. Further, deferred tax assets in Australia relating to temporary timing differences and intangible assets totalling £323k have been derecognised in the year due to the aforementioned uncertainty regarding profitability.

Whilst the note above shows deferred tax assets and liabilities as split by category, the net deferred tax positions by jurisdiction are shown in the table below, matching the presentation within the Consolidated Statement of Financial Position:

	2023		2022	
Jurisdiction	DTA £'000	DTL £'000	DTA £'000	DTL £'000
UK	–	(535)	–	(394)
Australia	–	(21)	260	–
US	24	–	–	–
Total	24	(556)	260	(394)

20. Share based payments

The Group operates a number of Share Option Schemes under which Executive Directors, Non-Executive Directors, managers and team members of the Group are granted options over shares. The Group did not enter into any share based payment transactions with other parties other than employees during the current or prior period. The charge recognised from equity-settled share-based payments in respect of employee services received during the year is £3,822k (2022: £3,552k). The charge recognised from cash-settled share-based payments in respect of employee services received during the year is £31k (2022: £nil).

Share Incentive Plans (Equity-settled)

In the year ended 31 December 2022, the Group introduced Share Incentive Plan (SIP) awards. These awards are subject to continued employment, and vest after three years. After the third anniversary of the award date employees can elect to sell or transfer the awards.

		Number of ordinary shares								
Scheme	Fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
UK SIP	1.94	–	738,660	(227,280)	–	**511,380**	**–**	**(119,322)**	**–**	**392,058**
Australia SIP	1.60	–	78,584	(7,144)	–	**71,440**	**–**	**(14,288)**	**–**	**57,152**
Ireland SIP	1.60	–	13,668	–	–	**13,668**	**–**	**–**	**–**	**13,668**
		–	830,912	(234,424)	–	**596,488**	**–**	**(133,610)**	**–**	**462,878**

At 31 December 2023, none of the options were exercisable (2022: nil).

The inputs to the share valuation model utilised at the grant of the option is shown in the table below. The volatility assumption, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-covid-19' period, being the three years prior to 1 January 2020. It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

The options have been valued using the Monte-Carlo method and using the following assumptions:

	UK SIP	Australia SIP	Ireland SIP
Number of awards granted	738,660	78,584	13,668
Grant date	19/01/22	26/05/22	26/05/22
Vesting date	19/01/25	26/05/25	26/05/25
Contractual life (days)	1,096	1,096	1,096
Exercise price (£)	–	–	–
Share price at grant date (£)	1.94	1.60	1.60
Annual risk free rate (%)	–	–	–
Annual expected dividend growth rate (%)	–	–	–
Volatility (%)	40%	40%	40%
Fair value per award (£)	1.94	1.60	1.60

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20. Share based payments continued

Save as you Earn (SAYE) Schemes (Equity-settled)

The Group operates saving-related share option plans, under which employees save on a monthly basis, over a three-year period, towards the purchase of shares at a fixed price determined when the option is granted. All employees were offered the opportunity to join the SAYE schemes. This price is set at a 20% discount to the average closing price for a share on the five dealing days prior to the grant date. The option must be exercised within six months of maturity of the savings contract, otherwise it lapses.

		Number of ordinary shares								
Scheme	Fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
2022 SAYE	0.58	–	568,032	(147,709)	–	**420,323**	**–**	**(191,132)**	**–**	**229,191**
2023 SAYE	0.40	–	–	–	–	**–**	**355,350**	**(26,269)**	**–**	**329,081**
		–	568,032	(147,709)	–	**420,323**	**355,350**	**(217,401)**	**–**	**558,272**

At 31 December 2023, none of the options were exercisable (2022: nil).

The inputs to the share valuation model utilised at the grant of the option is shown in the table below. The volatility assumption for the 2023 SAYE scheme is based on the median daily share price volatility for a group of peer companies over a historical period prior to the date of grant with length commensurate with the expected life assumption of 3.05 years. For the 2022 SAYE scheme this was based on the historical 3.1 year volatility of the constituents of the FTSE AIM Media super sector as of the date of grant.

The options have been valued using the Black-Scholes method and using the following assumptions:

	2022 SAYE	2023 SAYE
Number of awards granted	568,032	355,350
Grant date	24/05/22	14/06/23
Vesting date	30/06/25	30/06/26
Contractual life (days)	1,133	1,112
Exercise price (£)	1.34	0.81
Share price at grant date (£)	0.58	0.97
Annual risk free rate (%)	1.47%	4.76%
Annual expected dividend growth rate (%)	–	–
Volatility (%)	40%	43%
Fair value per award (£)	0.58	0.40

20. Share based payments continued

Non-Executive Director Awards (Equity-settled)

Awards were granted to certain Non-Executive Directors prior to, but conditional on, Admission which vest on the second anniversary of Admission subject to continued employment and no further performance conditions. The scheme vesting period was reached on 15 December 2023 and the options were exercised in full in January 2024.

		Number of ordinary shares								
Scheme	Fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
Non-Executive Director Awards	1.75	2,459,098	–	–	–	**2,459,098**	**–**	**–**	**–**	**2,459,098**
		2,459,098	–	–	–	**2,459,098**	**–**	**–**	**–**	**2,459,098**

At 31 December 2023, 2,459,098 options were exercisable (2022: nil).

The inputs to the share valuation model utilised at the grant of the option is shown in the table below. The volatility assumption, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-covid-19' period, being the three years prior to 1 January 2020. It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

The options have been valued using the Monte-Carlo method and using the following assumptions:

	Non-Executive Director Awards
Number of awards granted	2,459,098
Grant date	15/12/21
Vesting date	15/12/23
Contractual life (days)	730
Exercise price (£)	–
Share price at grant date (£)	1.75
Annual risk free rate (%)	–
Annual expected dividend growth rate (%)	–
Volatility (%)	40%
Fair value per award (£)	1.75

The Company only share based remuneration expense in the year, relating to the above Non-Executive Director remuneration scheme only was £2,341k (2022: £2,490k).

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20. Share based payments continued

Executive Director Awards (Equity-settled)

The Long Term Incentive Plan awards for the Executive Directors were granted on 23 December 2021, and vest subject to revenue and Adjusted EBITDA margin performance conditions ('base'). The Long Term Incentive Plan awards are also subject to a multiplier based on absolute TSR performance ('stretch'). The overall award was granted as a combination of nil cost options over LBG Media plc shares and an award of A shares in LBG Holdco Limited, in respect of the base and stretch amounts respectively. The A shares in LBG Holdco Limited will convert to LBG Media plc shares on exercise. Within 2023, for two outgoing former Directors the vesting period has been shortened to their leave dates in 2024. Similarly, the number of shares that vest has been pro-rated downwards to align with the shortened tenure.

		Number of ordinary shares								
Scheme	Weighted average fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
Executive Director Awards	1.45	1,189,280	–	(289,284)	–	**899,996**	**–**	**(111,002)**	**–**	**788,994**
		1,189,280	–	(289,284)	–	**899,996**	**–**	**(111,002)**	**–**	**788,994**

At 31 December 2023, none of the options were exercisable (2022: nil).

The inputs to the share valuation model utilised at the grant of the option is shown in the table below. The volatility assumption, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-covid-19' period, being the three years prior to 1 January 2020. It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

The options have been valued using the Monte-Carlo method and using the following assumptions:

	Executive Director Awards
Number of awards granted	1,189,280
Grant date	22/12/21
Vesting date	31/12/24
Contractual life (days)	1,105
Exercise price (£)	–
Share price at grant date (£)	1.94
Annual risk free rate (%)	0.68%
Annual expected dividend growth rate (%)	–
Volatility (%)	40%
Weighted average fair value per award (£)	1.45

20. Share based payments continued

LADbible Incentive Plan Awards (Equity-settled)

The Group operates incentive plans for senior employees subject to revenue performance conditions and an Adjusted EBITDA margin underpin. Vesting is contingent upon continued employment. In May 2023 the LADbible Incentive Plan awards were forfeited in return for the Group A awards which mirrored the terms of the original awards with additional market based performance conditions, including top-up awards. The top-up options will only vest if the series of performance conditions are fully met, at which point the quantity of options vesting will represent those equivalent to a fixed maximum value to the option-holder. The scheme was changed in order to better align with the Group's objectives.

		Number of ordinary shares								
Scheme	Fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
LADbible Incentive Plan	1.94	–	576,053	(111,051)	–	**465,002**	**–**	**(441,699)**	**–**	**23,303**
LTIP Group A – Base Award	1.94	–	–	–	–	**–**	**359,084**	**(88,479)**	**–**	**270,605**
LTIP Group A – Top-up	0.28	–	–	–	–	**–**	**1,726,632**	**(397,236)**	**–**	**1,329,396**
LTIP Group D – Base Award	0.35	–	–	–	–	**–**	**187,949**	**–**	**–**	**187,949**
LTIP Group D – Top-up	0.33	–	–	–	–	**–**	**554,907**	**–**	**–**	**554,907**
		–	576,053	(111,051)	–	**465,002**	**2,828,572**	**(927,414)**	**–**	**2,366,160**

At 31 December 2023, none of the options were exercisable (2022: nil).

The inputs to the share valuation model utilised at the grant of the option is shown in the table below.

The volatility assumption of 40%, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-covid-19' period, being the three years prior to 1 January 2020. It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

The volatility assumption of 44% is based on the median daily share price volatility for a group of peer companies over a historical period prior to the date of grant with length commensurate with the remaining projection period of 2.66 years.

The options have been valued using the Monte-Carlo method and using the following assumptions:

	LADbible Incentive Plan	LTIP Group A – Base Award	LTIP Group A – Top-up	LTIP Group D – Base Award	LTIP Group D – Top-up
Number of awards granted	576,053	359,084	1,726,632	187,949	554,907
Grant date	13/01/22	13/01/22	4/05/23	4/05/23	4/05/23
Vesting date	12/01/25	12/01/25	31/12/25	12/01/25	31/12/25
Contractual life (days)	1,095	1,095	973	620	973
Exercise price (£)	–	–	–	–	–
Hurdle share price for top-up (£)	–	–	1.75	–	1.75
Share price at grant date (£)	1.94	1.94*	1.00	1.00	1.00
Annual risk free rate (%)	–	–	3.76%	3.76%	3.76%
Annual expected dividend growth rate (%)	–	–	–	–	–
Volatility (%)	40%	40%	44%	44%	44%
Fair value per award (£)	1.94	1.94	0.28	0.35	0.33

* These awards were treated as a modification and the fair value of these replacement awards is reflective of the incremental fair value to be recognised on modification.

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20. Share based payments continued

Long Term Incentive Plan (LTIP) Awards (Equity-settled)

The Group operates long term incentive plans for senior employees subject to revenue performance conditions and an Adjusted EBITDA margin underpin. Vesting is contingent upon continued employment. In May 2023 the LTIP Senior Manager awards were forfeited in return for the Group B awards which mirrored the terms of the original awards with additional market based performance conditions, including top-up awards, and removal of the Total Shareholder Return (TSR) multiplier. The top-up options will only vest if the series of performance conditions are fully met, at which point the quantity of options vesting will represent those equivalent to a fixed maximum value to the option-holder. The scheme was changed in order to better align with the Group's objectives.

Further awards were granted within 2023 to senior employees, subject to revenue and market performance conditions and an Adjusted EBITDA margin underpin.

		Number of ordinary shares								
Scheme	Fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
LTIP Senior Managers	1.29	–	836,424	(302,141)	–	**534,283**	**–**	**(534,283)**	**–**	**–**
LTIP Group B – Base Award	1.29	–	–	–	–	**–**	**267,141**	**(95,661)**	**–**	**171,480**
LTIP Group B – Top-up	0.27	–	–	–	–	**–**	**2,279,286**	**(622,196)**	**–**	**1,657,090**
LTIP Group C – Base Award	0.35	–	–	–	–	**–**	**62,678**	**–**	**–**	**62,678**
LTIP Group C – Top-up	0.25	–	–	–	–	**–**	**1,080,179**	**–**	**–**	**1,080,179**
LTIP Group E – Base Award	0.42	–	–	–	–	**–**	**478,468**	**–**	**–**	**478,468**
LTIP Group E – Top-up	0.78	–	–	–	–	**–**	**92,961**	**–**	**–**	**92,961**
LTIP Group F	0.45	–	–	–	–	**–**	**550,239**	**–**	**–**	**550,239**
		–	836,424	(302,141)	–	**534,283**	**4,810,952**	**(1,252,140)**	**–**	**4,093,095**

At 31 December 2023, none of the options were exercisable (2022: nil).

The inputs to the share valuation model utilised at the grant of the option is shown in the table below.

The volatility assumption of 40%, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-covid-19' period, being the three years prior to 1 January 2020. It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

The volatility assumption of 44% is based on the median daily share price volatility for a group of peer companies over a historical period prior to the date of grant with length commensurate with the remaining projection period of 2.66 years.

20. Share based payments continued

The options have been valued using the Monte-Carlo method and using the following assumptions:

	LTIP Senior Managers	LTIP Group B – Base Award	LTIP Group B – Top-up	LTIP Group C – Base Award	LTIP Group C – Top-up	LTIP Group E – Base Award	LTIP Group E – Top-up	LTIP Group F
Number of awards granted	836,424	267,141	2,279,286	62,678	1,080,179	478,468	92,961	550,239
Grant date	12/01/22	12/01/22	4/05/23	4/05/23	4/05/23	4/05/23	4/05/23	4/05/23
Vesting date	12/01/25	12/01/25	31/12/25	12/01/25	12/01/25	31/12/25	31/12/25	31/12/25
Contractual life (days)	1,096	1,096	973	620	620	973	973	973
Exercise price (£)	–	–	–	–	–	–	–	–
Hurdle share price for top-up (£)	–	–	1.75	–	1.75	–	1.75	–
Share price at grant date (£)	1.94	1.94*	1.00	1.00	1.00	1.00	1.00	1.00
Annual risk free rate (%)	–	–	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%
Annual expected dividend growth rate (%)	–	–	–	–	–	–	–	–
Volatility (%)	40%	40%	44%	44%	44%	44%	44%	44%
Fair value per award (£)	1.29	1.29	0.27	0.35	0.25	0.42	0.78	0.45

* These awards were treated as a modification and the fair value of these replacement awards is reflective of the incremental fair value to be recognised on modification.

Key Management Personnel Award (Cash-settled)

Awards were granted to a member of Key Management Personnel (KMP) under the Long Term Incentive Plan on 15 December 2021 (Date of Admission) which vest on 17 September 2022, with no employment conditions attached. Awards were granted to a member of KMP which vested immediately on 15 December 2021, with no performance conditions attached.

Following an election made by the Group to settle liabilities in relation to this scheme in cash (rather than shares), this scheme has been reassessed as a cash-settled share scheme in the year. The cash-settled share based payment liability at the end of 2023 is £375k (£nil).

		Number of ordinary shares							
Scheme	Fair value per award (£)	At 01 January 2022	Granted	Forfeited	Exercised	**At 31 December 2022 and 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023**
Key Management Personnel Award	1.75	789,865	–	–	–	**789,865**	**–**	**–**	**(351,000)**	**438,865**
		789,865	–	–	–	**789,865**	**–**	**–**	**(351,000)**	**438,865**

At 31 December 2023, 438,865 options were exercisable (2022: 789,865).

20. Share based payments continued

The inputs to the share valuation model utilised at the grant of the option is shown in the table below. The volatility assumption, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-covid-19' period, being the three years prior to 1 January 2020. It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

The options have been valued using the Monte-Carlo method and using the following assumptions:

	Key Management Personnel Award
Number of awards granted	789,865
Grant date	15/12/21
Vesting date	17/09/22
Contractual life (days)	92
Exercise price (£)	–
Share price at grant date (£)	1.75
Annual risk free rate (%)	–
Annual expected dividend growth rate (%)	–
Volatility (%)	40%
Fair value per award (£)	1.75

21. Called up share capital

Ordinary shares of £0.001 each	2023 Number	2023 £	2022 Number	2022 £
At 1 January	**205,714,289**	**205,714**	205,714,289	205,714
Issued during the year	**906,353**	**907**	–	–
At 31 December	**206,620,642**	**206,621**	205,714,289	205,714

Between February and August 2023, the Company issued 198,000 shares, in tranches of 9,000 shares, following the exercise of options granted under the Company's Key Management Personnel Award. For further details on the dates of these share issues, refer to Companies House.

708,353 shares were issued in relation to the UK Share Incentive Plan within 2022. The Directors have not corrected the prior year for this share issue on the basis of it not being material, including the impact it would have to EPS. These shares have been included within the amount issued during the year in 2023.

Post year end, on 3 January 2024, the Company issued 2,459,098 new ordinary shares with a nominal value of £0.001 each. This share issue was following the exercise of options granted under the Company's Long Term Incentive Plan (Non-Executive Director Awards).

22. Financial risk management

The Group uses various financial instruments. These include cash, issued equity instruments and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are currency risk, credit risk, interest rate risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

22. Financial risk management continued

Currency risk

The Group contracts with certain customers in US Dollars, Euros, Australian Dollars and New Zealand Dollars and manages this foreign currency risk through close management of foreign currency positions including the use of forward currency contracts. As of 31 December 2023 the Group's net exposure to foreign exchange risk was as follows:

	GBP £'000	USD £'000	EUR £'000	AUD £'000	NZD £'000	2023 £'000
Financial assets	20,982	4,481	2,058	4,591	94	32,206
Financial liabilities	(8,923)	(12,080)	(188)	(1,101)	(11)	(22,303)
Total net exposure	12,059	(7,599)	1,870	3,490	83	9,903

	GBP £'000	USD £'000	EUR £'000	AUD £'000	NZD £'000	2022 £'000
Financial assets	22,488	13,431	1,294	1,056	42	38,311
Financial liabilities	(5,419)	(108)	(58)	(945)	(3)	(6,533)
Total net exposure	17,069	13,323	1,236	111	39	31,778

It is estimated that, with all other variables held equal (in particular other exchange rates), a general change of 10% in the value of each foreign currency in the table below against Sterling would have had the following impact on the Group's current year profit after tax and on retained earnings:

2023 currency risks expressed in foreign currency / GBP	USD £'000	EUR £'000	AUD £'000	NZD £'000
Reasonable shift	10%	10%	10%	10%
Impact on profit after tax if currency strengthens against GBP	(844)	197	388	12
Impact on profit after tax if currency weakens against GBP	690	(179)	(317)	(5)

2022 currency risks expressed in foreign currency / GBP	USD £'000	EUR £'000	AUD £'000	NZD £'000
Reasonable shift	10%	10%	10%	10%
Impact on profit after tax if currency strengthens against GBP	1,481	137	12	5
Impact on profit after tax if currency weakens against GBP	(1,211)	(113)	(10)	(4)

Credit risk

The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the Group's trade receivables.

In order to manage credit risk the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with borrowings ageing and collection history.

The Directors consider that the Group's trade receivables were impaired for the year ended 31 December 2023 and a provision for credit losses of £40k (2022: £18k) was made. Refer to Note 14 for further information on financial assets that are past due.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing the cash balance and by investing cash assets safely and profitably.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

At 31 December 2023	Up to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	4,106	–	–	–
Contingent consideration	3,016	3,522	3,001	–
Lease liabilities	2,507	1,678	1,297	–
Accruals	3,176	–	–	–
Total	12,805	5,200	4,298	–

At 31 December 2022	Up to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	1,425	–	–	–
Contingent consideration	–	–	–	–
Lease liabilities	1,282	1,162	798	–
Accruals	1,866	–	–	–
Total	4,573	1,162	798	–

22. Financial risk management continued

The table below analyses the Group's undiscounted non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting years under review may also be categorised as follows:

	2023 £'000	2022 £'000
Financial assets		
Non-current:		
Other receivables	198	592
	198	592
Current:		
Trade and other receivables	16,208	8,451
Cash and cash equivalents	15,800	29,268
	32,008	37,719
Financial liabilities		
Non-current:		
Lease liabilities	(2,975)	(1,960)
Contingent consideration	(6,523)	–
	(9,498)	(1,960)
Current:		
Lease liabilities	(2,507)	(1,282)
Trade and other payables	(4,106)	(1,425)
Accruals	(3,176)	(1,866)
Contingent consideration	(3,016)	–
	(12,805)	(4,573)
Net financial assets	9,903	31,778

Other than the contingent consideration (which is recognised at fair value through profit or loss), all other financial assets and liabilities are measured on an amortised cost basis.

23. Commitments

There are no capital commitments at the current or prior year end.

24. Related party transactions

The following transactions were carried out with related parties:

	2023 £'000	2022 £'000
Entity controlled by key management personnel		
Purchase of services (1)	161	276
Tax settlement on behalf of Director (2)	(67)	224

(1) Services are purchased from Kamani Commercial Property Ltd (an entity controlled by a significant shareholder) on normal commercial terms and conditions. Kamani Commercial Property Ltd is a firm belonging to Mahmud Abdullah Kamani, a former Director of the Group. The Group leases the Manchester Dale Street properties from Kamani Commercial Property Ltd. The 'purchase of services' in the table above relates to the payments made in the year for the Dale Street properties for both rent and service charges. Payments made in 2023 totalled £161k (2022: £276k). The amount outstanding of the lease liability as at 31 December 2023 is £1,296k (2022: £88k). The outstanding service charge balance at 31 December 2023 is £17k (2022: £nil) and outstanding property insurance is £nil (2022: £nil).

Services are purchased from Wilson's Consultancy Ltd, an entity controlled by Dave Wilson, a Non-Executive Director of the Group, on normal commercial terms and conditions. Wilson's Consultancy Limited provided general business advice and also specific advice around the initial public offering. No costs have been recognised in the income statement in the current or prior year. Payments of £nil (2022: £26k) were made within the year. At 31 December 2023 £nil (2022: £nil) was outstanding.

(2) In the prior year the Group agreed to settle a PAYE liability (relating to a previously undisclosed benefit in kind) on behalf of Solly Solomou, totalling £224k. In the year, following a settlement agreement with HMRC this liability was reduced by £67k. The liability was settled in full within the current year.

25. Ultimate controlling party

The Directors consider there to be no ultimate controlling party following Admission to AIM in December 2021. Prior to this Solly Solomou was the ultimate controlling party by virtue of his shareholding.

26. Subsequent events

On 26 January 2024 LADbible US Inc. completed the bolt-on asset acquisition of social media accounts from Creative Expansions, Inc. for a total value of £354k ($450k).

27. Acquisitions

On 17 October 2023, the Group acquired the entire share capital of Betches Media, LLC ('Betches') for total consideration of £29,175k ($35,593k).

Betches is a US-based media brand founded by women and focused on digital media content production and publication for women.

The primary reasons for the acquisition are as follows:

- Acquisition of a complementary, high growth US digital publisher with a focus on millennial and Gen Z women.
- Step-change addition to the Group, in line with stated M&A ambitions, materially expanding its reach and footprint in the US, the world's largest advertising market.
- Significant additional revenue and Adjusted EBITDA contribution. Funded through existing cash reserves, the acquisition will be highly accretive.
- Major new brands added to the portfolio, new capabilities unlocked and improved revenue diversification.
- Expansion of both LBG Media's existing 100m US following as well as its overall audience of women.
- Clear potential for cross-selling opportunities.

Consideration for the acquisition was entirely in cash, with no shares in the Group issued to the sellers. The cash consideration is comprised of £19,541k ($23,840k) funded from existing cash resources, with up to a further $30,000k cash consideration payable in instalments (£23,548k at the closing balance sheet rate), subject to Betches achieving certain revenue and EBITDA targets to 2026. The contingent consideration is payable in annual tranches from March 2024 up until March 2026. Note that of the cash consideration of £19,541k, £248k remains unpaid at the year end and will be settled in H1 2024. See further narrative on contingent consideration at the foot of this note.

Of the maximum contingent consideration of $30,000k (£23,548k) payable to the sellers, based upon revenue and EBITDA forecasts at the date of acquisition, a total of £9,634k ($11,753k) is management's best estimate of the amount payable within a range of potential outcomes. The fair value of total consideration at the date of acquisition is therefore £29,175k.

The book and fair value of the assets acquired are noted within the table on the following page. Acquisition fair value adjustments of £10,594k were recorded. These adjustments relate to the recognition of 'brand' (£6,744k) and 'content partnership relationships' (£3,850k) intangible assets. After these fair value adjustments, goodwill of £15,197k has been recorded. The goodwill and intangible assets are deductible for tax purposes. The goodwill recognised is attributed to intangible assets that cannot be individually separated and reliably measured from Betches due to their nature. These items include the capability for synergies from bringing the businesses together, alongside the value of its workforce, combining propositions and capabilities that will help the business achieve accelerated consolidated growth from cross-sell opportunities.

Note that the book and fair value of trade receivables at acquisition are the same. Based upon a review of the trade receivables, due to the nature of the customer base, there are no concerns regarding recoverability.

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27. Acquisitions continued

	Fair value recognised on acquisition £'000s
Net assets	
Non-current assets	
Content partnership relationships	3,850
Brand	6,744
Fixed assets	261
Right of use asset	1,143
Current assets	
Cash	1,713
Security deposits	63
Accounts receivable	3,915
Inventory	31
Prepayments	380
Contract asset	422
Current liabilities	
Accounts payable	(97)
Accruals	(998)
Provisions	(7)
Other payables	(39)
Transaction costs payable	(2,285)
Lease liability	(239)
Non-current liabilities	
Lease liability	(879)
Total identifiable net assets at fair value	**13,978**
Goodwill arising on acquisition	15,197
Total purchase consideration transferred	**29,175**
Purchase consideration:	
Cash	19,293
Amounts unpaid	248
Contingent consideration	9,634
Total purchase consideration	**29,175**

	Fair value recognised on acquisition £'000s
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	1,713
Cash paid	(19,293)
Acquisition of subsidiaries, net of cash acquired (included in cash flows from investing activities)	**(17,580)**
Transaction costs of the acquisition (included within cash flows from operating activities)	(799)
Net cash outflow	**(18,379)**

Cash consideration per the RNS on 18 October 2023 was noted as being $24,000k (£19,673k). The difference between this and that noted as the initial cash payment of $23,537k (£19,293k) are adjustments in line with the acquisition agreement for working capital movements, cash reflected on acquisition, sell-side transaction expenses and bonus accruals, totalling $463k (£380k). Further as a result of the finalisation of the completion accounts an additional £248k remains unpaid. This will be paid in H1 2024 in line with the first earn out payment.

The only difference between the IFRS book value of net assets and the book value of assets reflected in the Betches financial statements relate to the recognition of an IFRS 16 right of use asset (£1,143k) and lease liability (£1,118k) for the Betches head office lease in New York.

The Group incurred buy side transaction costs of £1,078k. These were all expensed to the income statement as 'Adjusting Items'. £313k of these costs remain unpaid at year end.

Since the acquisition, Betches has contributed £2,262k of revenue and £73k of profit before tax to the Group. If Betches had been acquired on 1 January 2023, then it would have contributed £13,807k of revenue and £821k of profit before tax to the Group.

Contingent consideration

The Group has adopted the following fair value hierarchy in relation to its financial instruments that are carried in the balance sheet at the fair values at the year end (being solely contingent consideration):

1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)

27. Acquisitions continued

3) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The following table sets out the fair value of all financial assets and liabilities that are measured at fair value:

	2023			2022		
	Level 1 £'000s	**Level 2 £'000s**	**Level 3 £'000s**	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s
Liabilities measured at fair value						
Contingent consideration	–	–	9,539	–	–	–
Total	–	–	9,539	–	–	–

Contingent consideration is included in Level 3 of the fair value hierarchy. The provision for contingent consideration is in respect of the Betches Media, LLC acquisition in October 2023, further details of which can be found above. The fair value is determined considering the expected payments, discounted to present value using a risk adjusted discount rate.

The significant unobservable inputs are the financial performance forecasts for the Year 1 (2023), Year 2 (2024), Year 3 (2025) and Year 4 (2026) twelve month periods and the risk adjusted discount rate of 17.6%.

The estimated fair value could increase or decrease if Revenue or EBITDA was higher or lower. This is because the potential earn out payments are split into two tranches.

The first element of contingent consideration (Earnout 1) is based upon Betches Media, LLC revenue performance in 2023, 2024 and 2025 respectively. Contingent consideration of up to $15 million is payable under Earnout 1 in three tranches in 2024, 2025 and 2026 respectively.

The second element of contingent consideration (Earnout 2) is based upon Betches Media, LLC meeting a minimum EBITDA hurdle in 2023, 2024, 2025 and 2026. Contingent consideration of up to $15 million is payable under Earnout 2 in four tranches in 2024, 2025, 2026 and 2027 respectively.

At the acquisition date the discounted fair value of the contingent consideration was estimated at £9,634k having been determined from management's estimates of the range of outcomes and their respective likelihoods.

At 31 December 2023, the value of the contingent consideration after partial unwinding of the discounting was £9,539k. Adjustments to the fair value of the contingent consideration are made in the Consolidated Statement of Comprehensive Income under IFRS 3 Business Combinations.

Further, the estimated fair value would increase or decrease if the risk adjusted discount rate was higher or lower.

A reasonably possible change to one of these significant unobservable inputs, holding the other inputs constant, would have the following effects:

Effect of change in assumption on income statement	Increase £'000s	Decrease £'000s
Revenue movement by £500k	–	–
EBITDA movement by £500k	928	–
Risk adjusted discount rate change by 1.0%	79	85

Note that moving revenue up or down does not impact the fair value because without meeting the EBITDA hurdle, tranche 2 payments will not be made.

However, if the EBITDA hurdle was met, then the earn out 2 payments would be material.

For example, if revenue was $25m (£15.7m) in each of the years 2024, 2025 and 2026 and the EBITDA hurdle was met, then the additional earnout payments would be £0.8m per annum.

A reconciliation from the opening to closing contingent consideration balance can be found below:

	2023 £'000	2022 £'000
At 1 January	–	–
Recognition on the acquisition of subsidiary undertakings	9,634	–
Unwinding of discount[1]	314	–
Exchange adjustment	(409)	–
At 31 December	9,539	–
Analysed as:		
Amounts falling due within 12 months	3,016	–
Amounts falling due after one year	6,523	–
At 31 December	9,539	–

1. The discount rate used for the unwinding of the contingent consideration is 17.6%.

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	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Assets			
Non-current assets			
Investments	2	**184,861**	183,936
Debtors	4	**23,596**	–
Deferred tax asset	3	**499**	391
Total non-current assets		**208,956**	184,327
Current assets			
Debtors	4	**–**	23,680
Cash and cash equivalents	5	**174**	–
Current liabilities			
Creditors		**–**	–
Net current assets		**174**	23,680
Net assets		**209,130**	208,007
Equity			
Share capital	6	**207**	206
Share premium		**28,993**	28,993
Retained earnings		**179,930**	178,808
Total equity		**209,130**	208,007

The Company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to produce its own profit and loss account. The loss for the year dealt within the financial statements of the Company was £2,731k (2022: £2,768k loss). The charge in the profit and loss statement is in relation to the share based payment charge and payroll costs borne by the Company for the Non-Executive Directors within the year.

The notes on pages 126 to 130 are an integral part of these Company financial statements.

The Company financial statements on pages 124 to 130 were approved by the Board of Directors on 22 April 2024 and were signed on its behalf by:

Richard Jarvis
Chief Financial Officer

Registered number: 13693251

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity attributable to owners £'000
Balance at 1 January 2022	206	28,993	178,024	207,223
Share based payment	–	–	3,552	3,552
Loss for the financial period	–	–	(2,768)	(2,768)
Balance as at 31 December 2022 and 1 January 2023	**206**	**28,993**	**178,808**	**208,007**
Issue of shares	**1**	**–**	**–**	**1**
Share based payment	**–**	**–**	**3,853**	**3,853**
Loss for the financial period	**–**	**–**	**(2,731)**	**(2,731)**
Balance as at 31 December 2023	**207**	**28,993**	**179,930**	**209,130**

1. General information

LBG Media plc (the 'Company') is a public limited company, limited by shares, which is listed on the London Stock Exchange, with its ordinary shares traded on the Alternative Investment Market (AIM), and incorporated and domiciled in England and Wales. The registered number is 13693251 and the address of the registered office is 20 Dale Street, Manchester, M1 1EZ.

These Financial Statements present information about the Company as an individual undertaking and not about its Group.

The Financial Statements of LBG Media plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

Accounting policies

The accounting policies set out in the notes below have been applied in preparing the financial statements for the year ended 31 December 2023.

The Company is included within the Consolidated Financial Statements of LBG Media plc. The Consolidated Financial Statements of LBG Media plc are prepared in accordance with IFRS and are publicly available. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The requirement to prepare a statement of cash flows;
- Certain disclosures in relation to share based payments; and
- Key Management Personnel compensation.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of the Financial Statements.

The Company's accounting policies are the same as those set out in the notes of the Group Consolidated Financial Statements, except as noted opposite.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Impairment

The carrying values of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any impairment loss arises, the asset is adjusted to its estimated recoverable amount and the difference is recognised in the Income Statement.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discontinued at a market rate of interest for a similar debt instrument.

Share based payments

Some employees (including Senior Management) of the Company receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity settled transactions). The fair value of the equity settled awards is calculated at grant date using a Monte Carlo or Black-Scholes model. The resulting cost is charged in the Income Statement over the vesting period of the option or award and is regularly reviewed and adjusted for the expected and actual number of options or awards vesting.

Service and non-service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions that have not been met.

1. General information continued

Share based payments continued

The social security contributions payable in connection with the grant of the share options is determined at each balance sheet date as a liability with the total cost recognised in the profit and loss account over the vesting period.

When share options for shares in the Company are awarded to employees of subsidiaries, a capital contribution equal to the share based payment charge relevant to the shares awarded is recorded within Company reserves.

Financial risk management

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in Note 22 of the Consolidated Financial Statements.

Company result for the period

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income.

Directors' remuneration and staff numbers

The Company has no employees other than the Directors, who did not receive any remuneration for their services directly from the Company in either the current or preceding period. Refer to Note 5 in the Group consolidated accounts for the Key Management Personnel compensation.

Auditor's remuneration

The remuneration paid to the Auditor in relation to the audit of the Company is disclosed in Note 6 of the Consolidated Financial Statements. The fees for the Company's financial statements are borne by a subsidiary of the Company and are not recharged.

2. Fixed asset investments

Details of the Company's subsidiaries at 31 December 2023 are set out below. All subsidiaries are included in the consolidation. Shares of those companies marked with an * are directly owned by LBG Media plc.

Entity	Principal activity	Country of incorporation	Registered number	Type of share held by the Group	Proportion of Ordinary shares held by the Group companies	Registered office
LBG Holdco Limited*	Holding company	England and Wales	13558554	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LADbible Group Limited	Online media publishing	England and Wales	08018627	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
Studio Joyride Limited	Dormant	England and Wales	10528845	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
FOODbible Limited	Dormant	England and Wales	10816740	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
CONTENTbible Limited	Dormant	England and Wales	09808319	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
GAMINGbible Limited	Dormant	England and Wales	10230852	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
Pretty52 Limited	Dormant	England and Wales	08716446	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LASSbible Limited	Dormant	England and Wales	09376838	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
ODDSbible Limited	Dormant	England and Wales	09373897	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
SPORTbible Limited	Dormant	England and Wales	08716546	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LADbible Limited	Dormant	England and Wales	08779653	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
UNILAD Group Limited	Online media publishing	England and Wales	11564689	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
Pubity Group Ltd	Online media publishing	England and Wales	12065014	Ordinary	30%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LADbible Australia Pty Limited	Online media publishing	Australia	30 630 465 404	Ordinary	100%	755 Hunter Street, Newcastle West NSW 2302, Australia
LADbible New Zealand Limited	Online media publishing	New Zealand	8163059	Ordinary	100%	4th Floor, Smith & Caughey Building, 253 Queen Street, Auckland, 1010 New Zealand
LADbible Ireland Limited	Online media publishing	Ireland	653717	Ordinary	100%	Riverside 2, Sir John Rogerson's Quay, Dublin Docklands, Dublin, D02 KV60, Ireland
LADbible US Inc.	Online media publishing	United States	6793417	Ordinary	100%	1209 Orange Street, Wilmington, Delaware, County of New Castle, United States
LBG Holdco US Inc.	Holding company	United States	7605320	Ordinary	100%	1209 Orange Street, Wilmington, Delaware, County of New Castle, United States
Betches Media, LLC	Online media publishing	United States	4135537	Ordinary	100%	510 Broadhollow Road, Suite 300, Melville, New York, 11747, United States

2. Fixed asset investments continued

Investment in subsidiaries at the period end was as follows:

	31 December 2023 £'000	31 December 2022 £'000
Cost		
At start of period	183,936	182,874
Capital contribution	1,512	1,062
Release of capital contribution	(93)	–
Equity settled share options switched to cash settled share options	(494)	–
At end of period	184,861	183,936

Parent company guarantee

The parent company, registered number 13693251, guarantees all debts and liabilities of the Group's UK subsidiaries included above, at the balance sheet date in accordance with section 479A of the Companies Act 2006, and is claiming exemption from audit for each UK subsidiary.

Acquisitions

Within the year the Group incorporated LBG Holdco US Inc. with initial equity of $1, this entity was setup to acquire Betches Media, LLC. Further details of the acquisition are disclosed within Note 27 of the Consolidated Financial Statements.

Capital Contribution

This relates to share options in LBG Media plc awarded to employees of the wider Group.

3. Deferred Tax Asset

	31 December 2023 £'000	31 December 2022 £'000
Asset at start of year	391	224
Deferred tax charged to statement of comprehensive income in the year	108	167
Asset at end of year	499	391
The deferred tax asset relates to the following:		
Deferred tax on share options	499	391

There are no unrecognised deferred tax assets.

4. Debtors

	31 December 2023 £'000	31 December 2022 £'000
Amounts owed by Group undertakings due within one year	–	23,680
	–	23,680

	31 December 2023 £'000	31 December 2022 £'000
Amounts owed by Group undertakings due over one year	23,596	–
	23,596	–

Amounts owed by Group undertakings are unsecured and repayable on demand. In the current year management have reassessed the likelihood of the balance being repaid within the next year and have concluded that this is now unlikely. As such, the balance has been classed as non-current in the year.

5. Cash and cash equivalents

	31 December 2023 £'000	31 December 2022 £'000
Cash at bank and in hand	174	–
	174	–

The cash balance is held in GBP.

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6. Equity

Ordinary shares of £0.001 each	2023 Number	2023 £	2022 Number	2022 £
At 1 January	**205,714,289**	**205,714**	205,714,289	205,714
Issued during the year	**906,353**	**907**	–	–
At 31 December	**206,620,642**	**206,621**	205,714,289	205,714

Between February and August 2023, the Company issued 198,000 shares, in tranches of 9,000 shares, following the exercise of options granted under the Company's Key Management Personnel Award. For further details on the dates of these share issues, refer to Companies House.

708,353 shares were issued in relation to the UK Share Incentive Plan within 2022. The Directors have not corrected the prior year for this share issue on the basis of it not being material, including the impact it would have to EPS. These shares have been included within the amount issued during the year in 2023.

Post year end, on 3 January 2024, the Company issued 2,459,098 new ordinary shares with a nominal value of £0.001 each. This share issue was following the exercise of options granted under the Company's Long Term Incentive Plan (Non-Executive Director Awards).

7. Financial instruments

	31 December 2023 £'000	31 December 2022 £'000
FINANCIAL ASSETS – HELD AT AMORTISED COST		
Amounts owed by Group undertakings	**23,596**	23,680

The Company does not hold any financial liabilities.

8. Related parties

Services are purchased from Wilson's Consultancy Ltd, an entity controlled by Dave Wilson, a Non-Executive Director of the Group, on normal commercial terms and conditions. Wilson's Consultancy Limited provided general business advice and also specific advice around the initial public offering. No costs have been recognised in the income statement in the current or prior year. Payments of £nil (2022: £26k) were made within the year. At 31 December 2023 £nil (2022: £nil) was outstanding.

9. Share based payments

Details of the Company's share based payments are disclosed within Note 20 of the Consolidated Financial Statements.

Introduction

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures (APMs) of financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS). These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to IFRS measures and are not intended to be a substitute for IFRS measurements.

Purpose

The Directors believe that these APMs provide additional useful information on the underlying performance and position of LBG Media plc. APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding LBG Media plc's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes and have remained consistent with prior year.

The key APMs that the Group has focused on this period are as follows:

Adjusted EBITDA	This profit measure shows the Group's Earnings Before Interest, Tax, Depreciation and Amortisation adjusted for asset impairment and release of related liabilities, share based payment charge and adjusting items. Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

A glossary of other terms used in the Annual Report and Accounts can be found below:

Ad Exchanges	An ad exchange is a digital marketplace that enables advertisers and publishers to buy and sell advertising space, often through real-time auctions. They're used to sell display, video and mobile ad inventory.
CAGR	The compound annual growth rate (CAGR) is the annualised average rate of growth between two given years.
Global audience	Includes global social media platform followers, unique podcast listeners and global monthly online users to LBG Media websites.
IPO	First public sale of shares by privately owned company. Allowing the company to become publicly listed on a recognised stock exchange i.e. AIM.
AIM	The Alternative Investment Market (AIM) is a sub-market of the London Stock Exchange.
Multi-platform	Refers to the Group operating on multiple social media platforms including Facebook, Instagram, Snapchat, TikTok, X and YouTube. In addition, the Group operates 7 owned and operated websites – www.betches.com, www.ladbible.com, www.sportbible.com, www.tyla.com, www.gamingbible.com, www.unilad.com and www.uniladtech.com.
Multi-channel	Refers to the Group's portfolio of brands more details can be found on page 4.
Reach	Reach is the total number of people who viewed our content within a particular time period.
Engagements	The measurement of a like, share or comment on social media platforms.
Unique user	Refers to a person who has visited us on a social platform or website at least once and is counted only once in the reporting time period.
Cash conversion	Cash conversion is calculated as cash generated from operations pre-tax, adjusted for the impact of cash adjusting items, divided by adjusted EBITDA.
ANZ	Refers to the Group's operations in Australia and New Zealand.

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